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# UTILITY PATENT APPLICATION TRANSMITTAL (Small Entity)

(Only for new nonprovisional applications under 37 CFR 1.53(b))

Docket No.  
ICON-102

Total Pages in this Submission

## TO THE ASSISTANT COMMISSIONER FOR PATENTS

Box Patent Application  
Washington, D.C. 20231

Transmitted herewith for filing under 35 U.S.C. 111(a) and 37 C.F.R. 1.53(b) is a new utility patent application for an invention entitled:

SYSTEM AND METHOD FOR SUPPORTING  
A SECURITY-TRADE FINANCING SERVICE

and invented by:

Lance LUNDBERG and Gijs F. J. VAN THIEL

jc688 U.S. PTO  
09/465506  
12/16/99

If a CONTINUATION APPLICATION, check appropriate box and supply the requisite information:

☐ Continuation ☐ Divisional ☐ Continuation-in-part (CIP) of prior application No.: \_\_\_\_\_

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Enclosed are:

## Application Elements

1. ☒ Filing fee as calculated and transmitted as described below
2. ☒ Specification having 33 pages and including the following:
  - a. ☒ Descriptive Title of the Invention
  - b. ☐ Cross References to Related Applications (if applicable)
  - c. ☐ Statement Regarding Federally-sponsored Research/Development (if applicable)
  - d. ☐ Reference to Microfiche Appendix (if applicable)
  - e. ☒ Background of the Invention
  - f. ☒ Brief Summary of the Invention
  - g. ☒ Brief Description of the Drawings (if drawings filed)
  - h. ☒ Detailed Description
  - i. ☒ Claim(s) as Classified Below
  - j. ☒ Abstract of the Disclosure

# UTILITY PATENT APPLICATION TRANSMITTAL (Small Entity)

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## Application Elements (Continued)

3. ☒ Drawing(s) (when necessary as prescribed by 35 USC 113)  
a. ☐ Formal      b. ☒ Informal      Number of Sheets 17
4. ☒ Oath or Declaration  
a. ☒ Newly executed (original or copy)      ☐ Unexecuted  
b. ☐ Copy from a prior application (37 CFR 1.63(d)) (for continuation/divisional application only)  
c. ☒ With Power of Attorney      ☐ Without Power of Attorney  
d. ☐ DELETION OF INVENTOR(S)  
Signed statement attached deleting inventor(s) named in the prior application,  
see 37 C.F.R. 1.63(d)(2) and 1.33(b).
5. ☐ Incorporation By Reference (usable if Box 4b is checked)  
The entire disclosure of the prior application, from which a copy of the oath or declaration is supplied under Box 4b, is considered as being part of the disclosure of the accompanying application and is hereby incorporated by reference therein.
6. ☐ Computer Program in Microfiche
7. ☐ Genetic Sequence Submission (if applicable, all must be included)  
a. ☐ Paper Copy  
b. ☐ Computer Readable Copy  
c. ☐ Statement Verifying Identical Paper and Computer Readable Copy

## Accompanying Application Parts

8. ☒ Assignment Papers (cover sheet & documents)
9. ☒ 37 CFR 3.73(b) Statement (when there is an assignee)
10. ☐ English Translation Document (if applicable)
11. ☐ Information Disclosure Statement/PTO-1449      ☐ Copies of IDS Citations
12. ☐ Preliminary Amendment
13. ☒ Acknowledgment postcard
14. ☒ Certificate of Mailing  
☐ First Class      ☒ Express Mail (Specify Label No.): EL284429211US

# UTILITY PATENT APPLICATION TRANSMITTAL (Small Entity)

(Only for new nonprovisional applications under 37 CFR 1.53(b))

Docket No.  
ICON-102

Total Pages in this Submission

## Accompanying Application Parts (Continued)

15. ☐ Certified Copy of Priority Document(s) (if foreign priority is claimed)
16. ☒ Small Entity Statement(s) - Specify Number of Statements Submitted: \_\_\_\_\_
17. ☐ Additional Enclosures (please identify below):

Check in the amount of \$40 to cover the recordal of the Assignment.

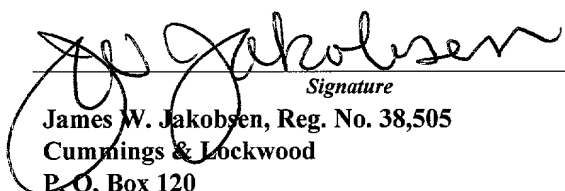
## Fee Calculation and Transmittal

### CLAIMS AS FILED

For	#Filed	#Allowed	#Extra	Rate	Fee
Total Claims	40	- 20 =	20	x \$9.00	\$180.00
Indep. Claims	4	- 3 =	1	x \$39.00	\$39.00
Multiple Dependent Claims (check if applicable) <input type="checkbox"/>					\$0.00
BASIC FEE					\$380.00
OTHER FEE (specify purpose) _____					\$0.00
TOTAL FILING FEE					\$599.00

- ☒ A check in the amount of \$599.00 to cover the filing fee is enclosed.
- ☒ The Commissioner is hereby authorized to charge and credit Deposit Account No. \_\_\_\_\_ as described below. A duplicate copy of this sheet is enclosed.
- ☐ Charge the amount of \_\_\_\_\_ as filing fee.
- ☒ Credit any overpayment.
- ☒ Charge any additional filing fees required under 37 C.F.R. 1.16 and 1.17.
- ☐ Charge the issue fee set in 37 C.F.R. 1.18 at the mailing of the Notice of Allowance, pursuant to 37 C.F.R. 1.311(b).

Dated: December 16, 1999

  
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**STATEMENT CLAIMING SMALL ENTITY STATUS**  
**(37 CFR 1.9(f) & 1.27(c))--SMALL BUSINESS CONCERN**

Docket Number (Optional)  
ICON-102

Applicant, Patentee, or Identifier: Lance Lundberg and Gijs F. J. Van Thiel  
Application or Patent No.: \_\_\_\_\_  
Filed or Issued: \_\_\_\_\_  
Title: SYSTEM AND METHOD FOR SUPPORTING A SECURITY-TRADE FINANCING SERVICE

I hereby state that I am

- ☐ the owner of the small business concern identified below:  
☒ an official of the small business concern empowered to act on behalf of the concern identified below:

NAME OF SMALL BUSINESS CONCERN ICON International Inc

ADDRESS OF SMALL BUSINESS CONCERN Two Stamford Plaza, 8th Floor  
281 Tresser Boulevard, Stamford, CT 06901

I hereby state that the above identified small business concern qualifies as a small business concern as defined in 13 CFR Part 121 for purposes of paying reduced fees to the United States Patent and Trademark Office. Questions related to size standards for a small business concern may be directed to: Small Business Administration, Size Standards Staff, 409 Third Street, SW, Washington, DC 20416.

I hereby state that rights under contract or law have been conveyed to and remain with the small business concern identified above with regard to the invention described in:

- ☒ the specification filed herewith with title as listed above.  
☐ the application identified above.  
☐ the patent identified above.

If the rights held by the above identified small business concern are not exclusive, each individual, concern, or organization having rights in the invention must file separate statements as to their status as small entities, and no rights to the invention are held by any person, other than the inventor, who would not qualify as an independent inventor under 37 CFR 1.9(c) if that person made the invention, or by any concern which would not qualify as a small business concern under 37 CFR 1.9(d), or a nonprofit organization under 37 CFR 1.9(e).

- Each person, concern, or organization having any rights in the invention is listed below:  
☒ no such person, concern, or organization exists.  
☐ each such person, concern, or organization is listed below.

Separate statements are required from each named person, concern or organization having rights to the invention stating their status as small entities. (37 CFR 1.27)

I acknowledge the duty to file, in this application or patent, notification of any change in status resulting in loss of entitlement to small entity status prior to paying, or at the time of paying, the earliest of the issue fee or any maintenance

NAME OF PERSON SIGNING Lance B. Lundberg  
TITLE OF PERSON IF OTHER THAN OWNER President  
ADDRESS OF PERSON SIGNING 281 Tresser Blvd 8th fl. Stamford CT  
SIGNATURE L B Lundberg DATE 12-15-99 <sup>06901</sup>

**Express Mailing Label No. EL284429211US**

**Wherein the Invention is Entitled:**

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**SYSTEM AND METHOD FOR SUPPORTING  
A SECURITY-TRADE FINANCING SERVICE**

**BACKGROUND OF THE INVENTION**

**1. Field of the Invention**

The present invention relates generally to a system and method for supporting a security-trade financing service, and more particularly, to a system and method for evaluating data relating to a procurement plan to determine a plan cost basis of certain inventory items and for determining a cash/trade-credit blend based on the plan cost basis and a valuation analysis of a company seeking capital.

**2. Background of the Related Art**

Barter trading is basically the purchasing of goods and/or services with other goods and/or services (the term goods and/or services are referred to herein as products). It is the oldest form of commerce. With the rise of currency, barter trading eventually became a marginal phenomena.

Today, barter trading has become commonplace again, but now encompasses more than the trading of products. More specifically, barter trading has evolved well beyond its historical definition and now includes trading a combination of products, cash, and trade credits. For this reason, such transactions are identified herein generally as “trading transactions.” Furthermore, an entity that supports such transactions is identified herein as a “trading company.” Any type of company can be a trading company, as long as it performs the functions as described herein.

Trade credits are any credits that are issued by a trading company which are redeemable by themselves, or in combination with cash, for products as agreed in a trading transaction between a trading company and another company.

A large variety of products are presently traded. Such products include media (e.g., TV, radio, print, and Internet), travel (e.g., air, hotel, and car rental), printing (e.g., offset, gravure, and flexography), accounting services, shipping services, real estate (e.g., office space, storage, and lots), food products, household goods (e.g., stoves, toasters, and lawnmowers), capital goods (e.g., milling and turning machines, television studio equipment, and buildings), legal services, and web design services. The type of product

that can be included in a trading transaction is limitless.

A typical trading transaction includes a deficient-asset company, i.e., a seller of deficient products or deficient assets, selling products to a trading company in exchange for trade credits or trade credits in combination with cash. The trade credits, e.g.,  
5   denominated in dollars, are redeemable for products and can be described generally as worth a dollar of non-cash receivables. The deficient-asset company generally records the sale at the book or fair market value of the assets sold. The trading company will typically dispose of the deficient asset at market value, which is usually substantially lower than the sellers book value. The deficient-asset company's motivation for  
10   executing the transaction is in receiving excess market value over the full life of the transaction.

The seller of the asset simultaneously or subsequently pays for various products by redeeming trade credits, or pays for the products partly by paying cash and partly by redeeming trade credits. The combination of cash and trade credits is referred to herein  
15   as a cash/trade-credit blend.

Referring to Fig. 1, a block diagram illustrates several examples of trading transactions. Those skilled in the art will appreciate that the examples illustrated and described below are not exhaustive.

Generally, a trading company TC will include a marketing group MG, financial  
20   group FG, and an inventory group IG to support a trading transaction. The marketing group MG seeks investment opportunities and promotes business opportunities to corporations seeking to trade products. The financing group FG provides financing expertise to support trading transactions arranged by the marketing group MG. The inventory group IG manages the inventory INV that is purchased and sold through  
25   trading transactions. Trading transactions typically include trading various types of products, inventory INV, trade credits Tcr, and a combination of cash \$ and trade credits Tcr.

An example of a trading transaction is illustrated in Fig. 1, wherein deficient-asset company DAC-1 is a hotel having a predetermined average number of vacant rooms, i.e.,  
30   deficient asset DA-1, over a period of time. In order to draw value from the vacant

rooms DA-1, the hotel DAC-1 agrees to a trading transaction with the trading company TC to trade the vacant rooms DA-1 for trade credits Tcr. The trade credits Tcr are considered equal to cash, e.g., on a dollar-for-dollar basis, by the trading company TC and may be redeemed at any time in the future for products in the trading company's TC inventory INV. The products in inventory may include media, travel, goods, etc., as described above. After a trading transaction is made, the hotel rooms DA-1 are identified as an inventory item in the trading company's TC books.

Another example of a trading transaction is illustrated in Fig. 1, wherein deficient-asset company DAC-2 is a video equipment manufacturer seeking a customer to purchase their modern video equipment DA-2. Because such equipment can be prohibitively expensive to a customer seeking to purchase such video equipment, trading transactions may be used to offset at least a portion of the cost. More specifically, the trading company TC facilitates the transaction by purchasing the video equipment with a cash/trade-credit blend \$/Tcr. After the trading transaction is made, the video equipment DA-2 is identified as an inventory item in the trading company's TC books.

An extension of the trading transaction described immediately above is illustrated in Fig. 1, wherein a deficient-asset company DAC-3 is a news network in need of that same modern video equipment to operate efficiently, however, does not have sufficient cash for its purchase. In order to draw value from anticipated open advertisement slots DA-3, news network DAC-3 agrees to trade the anticipated open advertisement slots DA-3 for the modern video equipment A in the trading company's TC inventory. After the trading transaction is made, the anticipated open advertisement slots DA-3 are identified as an inventory item, and the modern video equipment is removed from the trading company's TC books.

Those skilled in the art will recognize that other similar types of trading transactions may be made, wherein a deficient-asset company DAC-*n* has an identifiable deficient asset DA-*n* that it would like to sell. And furthermore, wherein the trading company TC agrees with the deficient-asset company DAC-*n* to trade the deficient asset DA-*n* for trade credits Tcr or a cash/trade-credit blend \$/Tcr (identified generally as X).

It is notable that the trading company TC benefits in each trading transaction by



purchasing the deficient assets DA-*n* at a significant discount. The deficient-asset companies DAC-*n* also benefit, as they are not burdened with products that would otherwise have to be liquidated, are wholly or partially perishable, or have low marginal costs.

5 With continued reference to Fig. 1, illustrated are several examples of trading transactions wherein inventory INV is purchased from the trade company for trade credits Tcr or a cash/trade-credit blend (\$/Tcr). In such trading transactions, trade credits are being redeemed for products. Those skilled in the art will appreciate that the examples illustrated and described herein are not exhaustive.

10 An example of a trading transaction involving the sale of inventory follows. A purchaser company PC-1 is a local news publisher seeking to purchase a modern printing press, however, it does not having sufficient cash to do so. Furthermore, a trading company TC has the modern printing press INV-1 in inventory INV from an earlier trading transaction made with a printing-press manufacturer. The news publisher PC-1  
15 previously sold advertisement space to the trading company TC, therefore, it has accumulated a number of trade credits Tcr. The news publisher PC-1 purchases the desired printing press INV-1 for trade-credits Tcr.

Another example of a trading transaction involving the sale of inventory follows. A purchaser company PC-2 is a cosmetics manufacturer that is seeking to purchase media  
20 to promote its goods. The cosmetics manufacturer PC-2 previously sold a deficient asset (e.g., the goods did not meet specifications) to the trading company TC, therefore, it has accumulated a number of trade credits Tcr. Utilizing the trade credits Tcr in combination with cash \$ it has available, the cosmetics manufacturer PC-2 is able to purchase a desired media package INV-2 for a cash/trade-credit blend \$/Tcr.

25 Those skilled in the art will recognize other similar types of trading transactions that may be made, wherein a purchasing company PC-*n* has an identifiable need for products INV-*n* in the inventory INV of the trading company TC. Furthermore, wherein the trading company TC may make a trading transaction with the purchasing company PC-*n* to trade the product INV-*n* for trade credits Tcr, or a cash/trade-credit blend \$/Tcr.

30 Until now, trade transactions have been available primarily to companies that

have the capacity to generate and make available deficient assets for trading purposes. Less established companies, for example, start-up companies, have not been able to enjoy the benefits that trading transactions provide. Also, companies requiring capital, but having products that do not readily lend themselves to trading transactions, have not been able to take advantage of the benefits of such transactions.

Oftentimes, such companies find themselves in a catch-22 situation, wherein they require certain resources, for example, capital equipment and media, to promote and grow their business, however, they are unable to obtain the resources or financing therefor until they demonstrate such growth. Of course, this paradoxical situation tends to stifle the growth of a small company and can even lead to its demise.

Companies finding themselves in such situations have a limited number of ways of obtaining needed resources. Among other methods, such companies may seek venture capital funds from outside investors. A disadvantage of this alternative is that the venture capital funds typically have a high cost of capital. In addition, venture capitalists will often value the company at a level that falls significantly below the expectations of the company seeking capital.

From the above, it is understood that a system and method is needed to provide resources to companies that need such resources to grow. In addition, a system and method is needed to facilitate the financing of a company holding few deficient assets, however, have significant growth potential. Furthermore, a system and method is needed that is easy to operate and readily integrated into the various technical systems and business methods presently employed in the marketplace.

### **SUMMARY OF THE INVENTION**

The present invention provides a novel and unique system and method for supporting a security-trade financing service. The system and method addresses deficiencies in the prior art in financing companies seeking resources to facilitate growth.

An embodiment of the method for supporting a security-trade financing service includes the steps of maintaining an inventory data base including data identifying products; determining a cash/trade-credit blend for the purpose of providing financing to the company, wherein the cash/trade-credit blend includes a cash portion and a trade-

credit portion; receiving securities from the company in exchange for the trade-credit portion of the cash/trade-credit blend; and receiving at least a portion of the cash/trade-credit blend from the company in exchange for a proportional quantity of the products in inventory that are desired by the company.

5           The method may further include the steps of receiving deficient assets from a deficient asset company; transferring trade credits to the deficient asset company to pay, at least in part, for the deficient assets; and storing data identifying the deficient assets in the inventory data base. The products identified in the method are selected from the group consisting of goods and services. Furthermore, the cash/trade-credit blend may be  
10       represented by a cash-credit ratio. The cash-credit ratio is between 1/99 and 99/1, inclusive.

          Another embodiment of the method for supporting security-trade financing for a company seeking capital includes the steps of storing data identifying inventory allocations and inventory components desired by the company; calculating a total plan  
15       cost basis based on the inventory allocations and cost bases of the inventory components; calculating a cash-credit ratio based on the total plan cost basis and a desired plan cost basis; calculating one or more cash/trade-credit blends based on the desired plan cost basis, the cash-credit ratio, and one or more investment values; and outputting the one or more cash/trade-credit blends.

20           The desired plan cost basis may be based on valuations of the company. The valuations may include an agreed-to valuation and a desired valuation. Furthermore, the inventory components may be selected from the group consisting of one or more categories of inventory products and one or more particular inventory products.

          The method may further include the step of storing data identifying the one or  
25       more categories of inventory products and data identifying the one or more particular inventory products in an inventory data base. The method may further include the steps of storing data identifying an actual cost basis of each of the one or more particular inventory products and storing data identifying an estimated cost basis of each of the one or more categories of inventory products.

30           The cost bases of the inventory components may be selected from the group

consisting of an actual cost bases and an estimated cost bases. Furthermore, the total plan cost basis may be selected from the group consisting of a total actual plan cost basis and a total estimated plan cost basis. The cash-credit ratio may be between 1/99 and 99/1, inclusive.

5 An embodiment of the system for supporting security-trade financing for a company seeking capital includes a storage device for storing data identifying inventory components and corresponding cost bases; a processor in communication with the storage device, wherein the processor is operative to store data in the storage device identifying inventory allocations and certain inventory components desired by the company, a  
10 desired plan cost basis, and one or more investment values. The processor is also operative to calculate a total plan cost basis based on the inventory allocations and the cost bases of the certain inventory components; calculate a cash-credit ratio based on the total plan cost basis and the desired plan cost basis; calculate one or more cash/trade-credit blends based on the desired plan cost basis, the cash-credit ratio, and the one or  
15 more investment values; and output the one or more cash/trade-credit blends.

These and other unique features of the system and method disclosed herein will become more readily apparent from the following detailed description taken in conjunction with the drawings.

### **BRIEF DESCRIPTION OF THE DRAWINGS**

20 So that those of ordinary skill in the art to which the subject invention pertains will more readily understand how to make and use the system and method described herein, preferred embodiments of the invention will be described in detail with reference to the drawings, wherein:

Fig. 1 is a block diagram illustrating trading transactions between deficient-asset  
25 companies DAC-*n* and a trading company TC, and trading transactions between purchasing companies PC-*n* and the trading company TC;

Figs. 2(a) and 2(b) are block diagrams illustrating a security-trade financing service provided by a trading company TC utilizing a system and method of the present invention;

30 Fig. 3 is a flow chart depicting an embodiment of a method for supporting a

security-trade financing service;

Fig. 4 is a block diagram illustrating an embodiment of a system for supporting a security-trade financing service;

Fig. 5 illustrates media inventory in a trading company's inventory data base;

Fig. 6 illustrates an evaluation of a detailed media plan to determine an actual plan cost basis and an actual media cost to a trading company;

Fig. 7 illustrates an evaluation of a general media plan to determine an estimated plan cost basis and an estimated media cost to a trading company;

Fig. 8 is a table illustrating the actual cost for a trade credit at varying cash/trade-credit ratios and total plan cost bases;

Figs. 9(a) and 9(b) illustrate an evaluation of entered data to determine cash/trade-credit blends and total media costs related thereto;

Figs. 10(a) and 10(b) are block diagrams similar to Figs. 2(a) and 2(b) illustrating a security-trade financing transaction based on the evaluation illustrated in Figs. 9(a) and 9(b);

Fig. 11 illustrates an evaluation of entered data to determine cash/trade-credit blends and total media costs related thereto;

Fig. 12 is a flow chart of a software routine for a main menu used in a data processing system of the present invention;

Fig. 13 is a flow chart of a software routine for inventory management and evaluation in a data processing system of the present invention;

Fig. 14 is a flow chart of a software routine for plan management and evaluation in a data processing system of the present invention;

Fig. 15 is a continuation of the flow chart illustrated in Fig. 14; and

Fig. 16 is a flow chart of a software routine for cash/trade-credit blend evaluation in a data processing system of the present invention.

## **DETAILED DESCRIPTION OF PREFERRED EMBODIMENTS**

Reference is now made to the accompanying Figures for the purpose of describing, in detail, the preferred embodiments of the present invention. The Figures and accompanying detailed description are provided as examples of the invention and are

not intended to limit the scope of the claims appended hereto.

The present invention is directed to a data processing system and method for supporting a security-trade financing service. The system and method is intended to facilitate providing an alternate source of financing for a company seeking capital. In addition, the system and method facilitates the financing of a company holding a limited number of deficient assets, however, having significant growth potential. Furthermore, the system and method is relatively easy to integrate into existing technical systems and methodologies presently utilized in the marketplace.

Figs. 2(a) and 2(b) are block diagrams illustrating a security-trade financing service provided by a trading company TC utilizing a system and method of the present invention. The financing service includes establishing a trading transaction having a first component (Fig. 2(a)) and a second component (Fig. 2(b)).

In Fig. 2(a), a company seeking capital CSC acquires financing from a trading company TC. To obtain financing, the CSC may offer the trading company TC, for example, security S in return for trade credits Tcr. The number of trade credits Tcr that the trading company TC ultimately invests into the CSC depends in part on a valuation of the CSC. For example, the CSC and trading company TC may agree that the trading company TC will invest in 10% of the company based on an agreed-upon company valuation. As part of the agreement, the CSC will agree to purchase products using a cash/trade-credit blend \$/Tcr.

In Fig. 2(b), the company seeking capital CSC purchases products INV-3, INV-4, and INV-5 from the trading company TC. The CSC purchases the products with a cash/trade-credit blend \$/ Tcr until it exhausts its supply of trade credits Tcr. The purchases may be made all at once or over a period of time.

Referring to Fig. 3, a flow chart depicts a method for supporting a security-trade financing service. At block 2, a trading company TC produces or acquires products through a series of trading transactions in a manner similar to that described above and illustrated in Fig. 1. As products are acquired, they are associated with pricing data such as a rate-card cost (e.g., face, published, list, or catalogue price) and an actual cost. The pricing data are evaluated to determine an actual cost basis for each product and an

estimated cost basis for categorized groups of products.

At block 4, the trading company TC receives from a company seeking capital CSC a plan identifying particular products or categories of products which it desires to purchase. The purchase plan indicates the resources that are to be allocated to each particular product or category of products. The actual or estimated cost basis (determined at block 2) are evaluated to determine a total actual or total estimated plan cost basis for the particular products or categories of products in the purchase plan, respectively.

At block 6, a cash/trade-credit blend is determined. To determine the appropriate blend, a valuation of the company seeking capital CSC is obtained. Those skilled in the art will readily appreciate the various conventional methods for obtaining a valuation. For example, the trading company TC may utilize a public market discounted cash flow model, price-earnings ratio, or a multiplier of revenue model. Alternatively, the trading company TC may obtain a valuation from a third party investor.

After obtaining and evaluating the valuation, the trading company TC and the company seeking capital CSC agree on an amount that the trading company TC will invest into the CSC. Utilizing the agreed-upon investment amount and the total plan cost basis determined at block 4, the trading company TC determines a cash/trade-credit blend that the CSC is willing to pay for products in the trading company's inventory INV. Thereafter, the trading company TC and the CSC make a final agreement on an amount that the trading company TC will invest into the CSC and a cash/trade-credit blend that the CSC will pay for products in the trading company's TC inventory INV. The above method for supporting a security-trade financing service is described in more detail below.

For the description that follows, the term "product" shall include goods and services. Goods and services include media (e.g., TV, radio, print, and Internet), travel (e.g., air, hotel, and car rental), printing (e.g., offset, gravure, and flexography), accounting services, shipping services, real estate (e.g., office space, storage, and lots), food products, household goods (e.g., stoves, toasters, and lawnmowers), capital goods (e.g., milling and turning machines, television studio equipment, and buildings), legal services, and web design services. The above list is not meant to be all inclusive.

The term “deficient asset” shall include products that may be, for example, perishable, distressed, impaired, or having low marginal costs. Basically, deficient assets are products that will incur a significant loss in value over time. The term “deficient-asset company” DAC shall include any company having title to one or more deficient assets.

The term “trading company” TC shall include any company that has title to deficient assets DA and sells them as inventory INV utilizing trade-credits or cash/trade-credit blends as described herein. That is, any company having the basic characteristics of a trading company as described herein is considered to fall within the definition of a “trading company.” Of course, those companies that primarily conduct trading activities are considered trading companies. But so may, for example, companies as diverse as airline companies and web design service providers be considered trading companies.

The term “inventory” INV shall include deficient assets DA that were previously purchased and deficient assets DA that have not yet been purchased, but that are generally available in the marketplace from deficient-asset companies DAC. In certain circumstances, e.g., when a deficient asset DA was not previously purchased and not generally available, the term “inventory” may include products that are purchased in the open marketplace (e.g., products that are not deficient). The term “benchmark price” shall include an agreed-upon price for one or more inventory items between a company seeking financing CSC and a trading company TC.

Furthermore, the terms “cash/trade-credit blend,” “cash-credit blend,” or the like, shall define any combination of cash and trade credits that may be exchanged between a trading company TC and a deficient-asset company DAC, purchasing company PC, company seeking capital CSC, or the like. Cash-credit blends may be represented as cash-credit ratios. Cash-credit ratios may be between 1/99 and 99/1, inclusive. Examples of more typical cash-credit ratios include 80/20, 70/30, and 60/40.

In the description of preferred embodiments, the units “\$” and “Tcr” are used to represent “cash” and “trade credits”, respectively. Those skilled in the art will recognize that other units may be used without deviating from the scope of the present invention.

In addition, the term “security” shall be defined as it is defined in the Securities Act of



1933, 15 U.S.C. § 77(b)(1), which is incorporated by reference herein.

The term “rate-card cost” shall refer to the cost of a product based on pricing data provided by groups that monitor prices in the relevant industry. For example, in the media industry, rate-card data for magazine costs are provided by SRDS (Standard Rate and Data Services, Des Plaines, Illinois). The rate-card cost is often the highest cost at which a product may be purchased in the marketplace. The term “market cost” shall refer to the cost of a product based on the natural forces of the marketplace. For example, the market cost of media is typically 0%-20% below the rate-card cost for the same media.

The term “user” or “system user” shall refer to a person that interfaces with the system of the present invention. Typically, system users will directly interface with the system. A system user may interface with the present invention through a stand-alone computer system or over a network of computer systems. As an example, a system user may interface with the system over an intranet using a client/server model. The term “client” shall refer to a computer that includes a processor, storage, display, and an input device. Clients utilize the services of “servers”.

In the remainder of the detailed description of preferred embodiments, only media products are referred to in exemplifying the present invention. Those skilled in the art will readily appreciate that other products may be included in a security-trade financing service utilizing the system and method of the present invention.

Referring to Fig. 4, a block diagram depicts a computer system 10 for supporting a security-trade financing service. System 10 includes a server 12 having various files 14, data bases 16, and program routines 18 stored in a permanent-type storage device 20.

More specifically, storage device 20 includes inventory files 22, media plan files 24, a normalized cost file 26, and cash blend files 28. In addition, storage device 20 includes a historical data base 30, inventory data base 32, market data base 34, and a client data base 36. Furthermore, storage device 20 includes a main menu routine 39, inventory management and evaluation routine 40, plan management and evaluation routine 42, cash-credit blend evaluation routine 44, and a program management routine 46.

The server 12 is a general-purpose network server that includes a computer

processing unit 50 ("CPU") for executing program routines stored in the storage device 20. The server 12 also includes a volatile-type storage device 52 for the temporary storage of data. The server 12 further includes a communication port 54 that enables the CPU 50 to communicate with devices that are external to the server 12. Of course, the system and method of the present invention may be utilized on stand-alone computer device.

Linked to the server 12 are one or more clients 56 operated by users 58. As a more specific example, server 12 is linked to client 56(1) which is operated by user 58(1), linked to client 56(2) which is operated by user 58(2), etc. Clients 56(1)-56(n) are linked to the server 12 through a network 60.

The server 12 may also be linked to specialized market data sources 62(1), 62(2), etc. The data sources 62(1)-62(n) may provide, for example, data for use by the system 10 to determine inventory and market price information.

Those skilled in the art will appreciate that various types of network 60 schemes are available and include, but are not limited to, connection to the Internet via modems and Internet host, direct Internet connections via routers, hard-wired point-to-point connections, radio communications, optical communications, and combinations of the aforementioned.

Those skilled in the art will also appreciate that server 12 may alternatively be configured to store data in an external storage device (not shown) or combinations of internal and internal storage devices. External storage devices may be local or remote to server 12. In addition, the storage devices of the present invention may be of any type known in the art (e.g., floppy disk, hard disk, compact disk, tape drive, etc.)

Although the files 14, data bases 16, and routines 18 are illustrated to be stored in a single storage device 20, those skilled in the art will readily appreciate that the data may be stored in disparate storage devices. Unless otherwise specified, references herein to a storage device includes permanent and/or volatile storage.

In addition, those skilled in the art will recognize that although the files 14, data bases 16, and routines 18 are particularly described herein, they may assume other forms, arrangements, and/or configurations and will still be in keeping with the spirit and scope

of the present invention.

Referring to Fig. 5, media inventory in a trading company's inventory data base is illustrated. The inventory data base includes various categories of media including National TV, Local TV, National Cable TV, Local Cable TV, Network Radio, Local  
 5 Radio, Outdoor/Out-of-Home, National Publications, and Internet. Below each category of media are specific media that have been obtained and placed in inventory.

The media may be obtained, for example, through trading transactions as described herein above and illustrated in Fig. 1. The media include, for example, stations Natch-1 and Natch-2 categorized in the National TV category, and stations Loch-1 and  
 10 Loch-2 categorized in the Local TV category. Of course, an inventory data base may included more or less media categories and media then what is illustrated in Fig. 5.

Each media is correlated with a rate-card cost of the media that is in inventory, the media cost paid by the trading company TC, the actual cost basis of the media and the estimated cost basis of the media category. For example, station Natch-1 advertisement  
 15 spots that are in inventory have a rate-card cost of  $\$10,000 \times 10^3$  and the trading company TC actually paid  $\$7,760 \times 10^3$  to purchase it, resulting in a cost basis of 77.6% ( $\$7,760/\$10,000$ ). As a further example, station Natch-2 advertisement spots that are in inventory have a rate-card cost of  $\$12,000 \times 10^3$  and the trading company TC actually paid  $\$9,840 \times 10^3$  to purchase it, resulting in a cost basis of 82.0% ( $\$9,840/\$12,000$ ). Of  
 20 course, the trading company TC may purchase particular media in one trading transaction or several trading transactions.

As noted above, each media category is associated with an estimated cost basis, which is basically the average cost basis for all of the media in a particular media category. For example, the estimated cost basis of all media in the National TV media  
 25 category is 80.0% ( $\$17,600/\$22,000$ ), and the estimated cost basis of all media in the Local TV media category is 65.0% ( $\$5,200/\$8,000$ ). The specific use of the above described inventory data is described in more detail herein below.

Fig. 6 illustrates an evaluation of a detailed media plan. The detailed media plan is provided by a company seeking capital CSC to a trading company TC and identifies  
 30 specific media that the CSC would like to purchase. The evaluation results in a

determination of an actual plan cost basis for the detailed media plan. The specific media includes Natch-1, Natcab-2, Locab-1, Locab-2, commuter rails, transit shelters, Natpubs-2, and Insite-1.

An allocation amount from the media plan is associated with each media. In addition, a rate-card discount is associated with each media. The rate-card discount is either an actual discount that a company seeking capital CSC would be given by a media supplier in the open market or an estimated discount as determined by the trading company TC or CSC. It is notable that a CSC may not receive any discount. In other words, the rate-card discount could be zero. Further, a CSC may pay more than rate-card cost due to market conditions. An actual plan cost basis is also associated with each media. The actual plan cost basis incorporates the rate-card discount received by a CSC. Furthermore, an actual media cost is associated with each media.

For example, the media plan illustrated in Fig. 6 includes an allocation for Natch-1 of  $\$1,500 \times 10^3$ . Further, Natch-1 includes a rate-card discount of 5%. The actual cost basis for Natch-1 to the trading company TC is 77.6% (Fig. 5). Therefore, the actual media cost of Natch-1 to the trading company TC is  $\$1,225 \times 10^3$  ( $(\$1,500 \times 10^3 / .95) \times .776$ ) and the actual plan cost basis is 81.7% ( $\$1,225 / \$1,500$ ). A total actual plan cost basis is determined for each evaluation of a detailed media plan. The total actual plan cost basis for the illustrated evaluation is 73.5% ( $\$3,674 / \$5,000$ ).

Fig. 7 illustrates an evaluation of a general media plan. The general media plan is provided by a company seeking capital CSC to a trading company TC and identifies media categories desired by the CSC. Such a general media plan may be provided instead of a detailed media plan when the CSC is uncertain of the exact media that it desires to purchase. The media categories include National TV, National Cable TV, Local Cable TV, Outdoor/Out-of-Home, National Publications, and Internet.

An allocation amount from the media plan is associated with each media category. In addition, a rate-card discount is associated with each media category. Further, an estimated plan cost basis is associated with each media category. The estimated plan cost basis incorporates the rate-card discount received by the CSC. Furthermore, an estimated media cost is associated with each media category.

For example, the media plan illustrated in Fig. 7 includes an allocation for National TV of  $\$1,500 \times 10^3$ . Further, the media of National TV includes a rate-card discount of 5%. The estimated cost basis for National TV to the trading company TC is 80.0% (Fig. 5). Therefore, the estimated media cost of the media category National TV to the trading company is  $\$1,263 \times 10^3$  ( $(\$1,500 \times 10^3 / .95) \times .80$ ) and the estimated plan cost basis is 84.2% ( $\$1,263 / \$1,500$ ). A total estimated plan cost basis is determined for each evaluation of a general media plan. The total estimated plan cost basis for the illustrated evaluation is 75.0% ( $\$3,750 / \$5,000$ ).

It is notable that even though the evaluation illustrated in Fig. 7 is based on the cost of general categories of media, the results deviate from that of the evaluation illustrated in Fig. 6, which is based on the cost of specific media, by only one-and-one-half percentage points (73.5% vs. 75.0%). This enables the trading company TC to be relatively flexible in its negotiations with the company seeking capital CSC even with estimated cost basis data (Fig. 5). In other words, the trading company TC does not significantly increase its cost basis by permitting the CSC to provide a general media plan as opposed to a detailed media plan.

Those skilled in the art will readily appreciate that media plans other than those illustrated in Figs. 6 and 7 may be developed that are in keeping with the scope of the present invention. For example, if a media plan includes an inventory item that must be purchased on the open market, the trading company TC may pay less than rate-card cost, rate-card cost, or greater than rate-card cost. The plan cost basis, media cost, and total plan cost basis is determined in a manner similar to that described above. Furthermore, a media plan may include both categories of media and specific media.

Referring to Fig. 8, a table illustrates the actual cost for a trade credit at varying cash-credit ratios and total plan cost bases. Data from the table basically indicates the cost of each trade credit to a trading company TC based on a particular total plan basis and cash-credit ratio. For example, a cash-credit ratio of 66/33 \$/Tcr has a normalized cash-credit ratio of 2/1 \$/Tcr. Consequentially, the normalized total cost is \$3.00. If, for example, an evaluation of a media plan results in a total estimated plan cost basis of 75.0% (Fig. 7), and a 66/33 \$/Tcr cash-credit ratio is chosen, then the actual cost to the

trading company TC per trade credit is \$0.250 ( $(\$3.00 \times .750) - \$2$ ). Fig. 8 illustrates the actual cost per trade credit for common cash-credit ratios, however, the actual cost per trade credit for any cash-credit ratio (e.g., 5/95, 15/85, etc.) can be determined.

Furthermore, it is anticipated that a trading company TC may consider cash-credit ratios ranging from 1/99 to 99/1.

Referring to Figs. 9(a) and 9(b), tables illustrate an evaluation of data entered by a user to determine cash/trade-credit blends and total media costs related thereto. The tables may be used to facilitate the system and method of a security-trade financing service of the present invention.

Referring to Fig. 9(a), after agreeing with a company seeking capital CSC that it has a particular valuation and after an evaluation of a media plan for the CSC (as described above), a trading company TC determines a desired valuation based on experience and sound business reasoning. More specifically, and by way of example, a system user for the trading company TC enters the agreed-to valuation of  $\$100 \times 10^6$  and the desired evaluation of  $\$37.5 \times 10^6$  into a system embodying the present invention. The total plan cost basis is carried over from the evaluation of the media plan. For example, the total estimated plan cost basis of 75.0% is carried over from the evaluation of a general media plan (Fig. 7).

Based on the agreed-to valuation and the desired valuation, a desired plan cost basis of 37.5% ( $\$37.5 \times 10^6 / \$100 \times 10^6$ ) is automatically calculated. It is notable that the desired plan cost basis is equivalent to the actual cost per trade credit, i.e., \$.375. Furthermore, the cash-credit ratio of 60/40, corresponding to the desired plan cost basis of 37.5%, is carried over from the table illustrated in Fig. 8. If the desired plan cost basis is not found in the table (Fig. 8), then the system may, for example, automatically interpolate between two known values or choose a next higher or next lower value and provide the corresponding cash-credit ratio.

Thereafter, the user selects an investment range of, for example,  $\$2 \times 10^6$  to  $\$4 \times 10^6$ , and an increment value of  $\$.25 \times 10^6$ . The increment value is used by the system to increment from the low investment-range value to the high investment-range value, as described below. The user then enters the entered data.

Referring to Fig. 9(b), the system evaluates the entered data to determine a cash/trade-credit blend and a total media cost for each incremental value. More specifically, for example, the investment value of  $\$4.00 \times 10^6$  results in a trade-credit value of  $10.67 \times 10^6$  Tcr ( $\$4 \times 10^6 / .375$ ), a cash value of  $\$16 \times 10^6$  ( $10.67 \times 10^6 \times (60/40)$ ), and a total media cost of  $\$26.67 \times 10^6$  ( $10.67 \times 10^6$  Tcr +  $\$16 \times 10^6$ ).

Referring to Figs. 10(a) and 10(b), block diagrams similar to Figs. 2(a) and 2(b), respectively, illustrate a security-trade financing transaction based on the evaluation described above and illustrated in Figs. 9(a) and 9(b). More specifically, assuming the investment value of  $\$3.75 \times 10^6$  was deemed acceptable to the user, a trading transaction deal is made with the company seeking capital CSC, wherein the CSC agrees to provide the trading company TC security S in return for  $10.00 \times 10^6$  Tcr (Fig. 10(a)). And furthermore, wherein the CSC agrees to purchase  $\$25.00 \times 10^6$  worth of media at a cash-credit ratio of 60/40  $\$/\text{Tcr}$  (Fig. 10(b)).

The purchase of media by the company seeking capital CSC at a cash-credit ratio of 60/40  $\$/\text{Tcr}$  results in a total cash expenditure of  $\$15 \times 10^6$  and a total trade-credit expenditure of  $10.00 \times 10^6$  Tcr. Of course, the purchase of media by the CSC may occur over a plurality of transactions and over a period of time as agreed between the CSC and the trading company TC. Those skilled in the art will recognize the significant advantage of such a system when a transaction must be turned over quickly and/or when a plurality of security-trade financing transactions are in progress simultaneously.

Referring to Fig. 11, a table illustrates another embodiment of the present invention, wherein data entered by a user is evaluated to determine a cash-credit blend, total media cost, and an actual total cost. A trading company TC initially determines a total actual or total estimated plan cost basis as described above and illustrated in Figs. 5-7. The trading company TC then enters a range of cash-credit ratios  $\$/\text{Tcr}$  and a range of trade-credits Tcr which it desires to invest. The system evaluates the entered data and provides the cash portion of the cash-credit blend, total media cost, and actual total cost.

More specifically, and by way of example, the trading company TC may determine a total estimated plan cost basis of 75.0% as described above and illustrated in Fig. 7. Thereafter, a system user for the trading company TC enters into the table of Fig.

11 a range of cash-credit ratios \$/Tcr (i.e., 40/60, 50/50, 60/40, and 66/33) and a range of trade-credit values Tcr (i.e.,  $9.0 \times 10^6$  Tcr,  $10.0 \times 10^6$  Tcr, and  $11.0 \times 10^6$  Tcr.)

The total estimated plan cost basis of 75.0% is carried over from the evaluation of the media plan (Fig. 7). Furthermore, each actual cost per trade credit Tcr (i.e., \$.583, 5 \$.500, \$.375, and \$.250), corresponding to the total estimated plan cost basis of 75.0%, is carried over from the table of Fig. 8 and correlated with their respective cash-credit ratios \$/Tcr.

After the above values have been entered, the system evaluates the data and determines a cash portion of the cash-credit blend, total media cost, and an actual total 10 cost of the media plan to the trading company TC.

For example, in evaluating a 60/40 cash-credit ratio \$/Tcr, the cash portion of the cash-credit blend having  $10.0 \times 10^6$  Tcr is determined to be  $\$15.0 \times 10^6$  ( $10.0 \times 10^6$  Tcr x 60/40), the total media cost is determined to be  $\$25.0 \times 10^6$  ( $\$15.0 \times 10^6 + 10.0 \times 10^6$  Tcr), and the actual total cost to the trading company TC is determined to be  $\$3.750 \times 10^6$  15  $((\$25.0 \times 10^6) \times .750) - \$15.0 \times 10^6$ . It is notable that the term "actual total cost" in the table in Fig. 11 is synonymous with the term "investment value" in the table in Fig. 9(b).

Those skilled in the art will recognize the significant advantage of such an alternate embodiment of the system when a transaction must be turned over quickly and/or when a plurality of security-trade financing transactions are in progress 20 simultaneously.

Referring to Fig. 12, a flow chart illustrates a main menu routine 39 of a data processing system made in accordance with an embodiment of the present invention. The system starts at block 100, wherein a user enters a password for obtaining access to routine 39. If, at block 102, the user's password is not accepted, then access to the 25 system is denied at block 104. If, at block 102, the user's password is accepted, then, at block 106, a main menu is displayed on a display. The display may be a CRT of a client 56 that is in communication with the server 12 (Fig. 4). Entry point M as shown in block 108 is provided to allow other routines to return to the main menu routine 39.

At block 110, the user is prompted to enter a menu choice. If, at block 112, the 30 menu choice is determined to be invalid, an error message is displayed, the routine



returns to step 110, and the user is again prompted to enter a menu choice. If, at block 112, it is determined that the menu choice is valid, then the routine 39 proceeds to block 114.

At block 114, the routine 39 determines whether the inventory management and evaluation routine 40 was selected. If routine 40 was selected, the system proceeds to routine 40 via entry point A, as shown in block 116. If routine 40 was not selected, the system proceeds to block 118. At block 118, the system determines whether the plan management and evaluation routine 42 was selected by the user. If routine 42 was selected, the system proceeds to routine 42 via entry point B, as shown in block 120. If routine 42 was not selected, the system proceeds to block 122.

At block 122, the system determines whether the cash-credit blend evaluation routine 44 was selected by the user. If routine 44 was selected, the system proceeds to routine 44 via entry point C, as shown in block 124. If routine 44 was not selected, the system proceeds to block 126. At block 126, the system determines whether the program management routine 46 was selected by the user. If routine 46 was selected, the system proceeds to routine 46, as shown in block 128.

After the user completes program management activities in block 128, the system proceeds to block 130 and the system ends operation. If routine 46 was not selected, then the user selected the choice to exit from the main menu and the system ends operation at block 130.

Referring to Fig. 13, a flow chart illustrates an inventory management and evaluation routine 40 of a data processing system made in accordance with an embodiment of the present invention. The routine 40 provides for creation, modification, and evaluation of an inventory file.

At block 116 (entry point A), the user enters routine 40 from main menu routine 39 and proceeds to block 200. At block 200, the user is prompted as to whether a new inventory file is to be created. If a new inventory file is to be created, the system proceeds to block 202, wherein the user enters information identifying a new inventory file, enters inventory items, and stores the file. Thereafter, the user proceeds to block 206. At block 206, the inventory file created at block 202 is displayed to the user and the

system proceeds to block 208.

The inventory file may be a template utilized as a guide to document specifications, costs, and cost bases of particular categories and types of media inventory. The data identifying the inventory may ultimately be stored in the inventory database 32 (Fig. 4). The media inventory file illustrated in Fig. 5 is an example of an inventory file that may be created with the data processing system of the present invention.

If, at block 200, a new inventory file is not to be created, the system proceeds to block 204. At block 204, the user is prompted to select an inventory file from storage. After an inventory file has been selected, the system proceeds to block 206. At block 206, the inventory file selected at block 204 is displayed to the user and the system proceeds to block 208.

At block 208, the user is queried as to whether data is to be updated or new data is to be entered into the inventory file. If so, the system proceeds to block 210 and the user updates data or enters new data into the inventory file. Thereafter, the system proceeds to block 211 where the inventory file is stored in storage. The system then proceeds to block 212. If, at block 208, the user decides not to update or enter new data, the system proceeds directly to block 212.

At block 212, the user is queried as to whether data is to be retrieved and stored, for example, from a data source 62 which is accessible through the Internet (Fig. 4). If the user decides to retrieve data, the system proceeds to block 214 where the data source 62 is selected, and data is down-loaded and stored in storage. Such data may include the latest rate-card costs from media providers or from groups that monitor prices in the relevant industry. Thereafter, the system proceeds to block 216. If, at block 212, the user decides data is not to be retrieved and stored, the system proceeds directly to block 216.

At block 216, the user is queried as to whether the actual and estimated cost bases are to be evaluated. If the user decides to have the actual and estimated cost bases evaluated, the system proceeds to block 218 and the actual cost basis for each media in the inventory file is evaluated and the estimated cost basis for each media category in the inventory file is evaluated. Thereafter, the system proceeds to block 220 where the inventory file is stored in storage. After the inventory file is stored in storage, the system

proceeds to block 222. If, at block 216, the user decides the actual and estimated cost bases are not to be evaluated, then the system proceeds directly to block 222.

At block 222, the user is queried as to whether the media inventory file is to be printed. If the media inventory file is to be printed, the system proceeds to block 224 and the media inventory file is printed for review by the user. Thereafter, the system proceeds to the main menu via block 108 (entry point M). If, at block 222, the media inventory file is not to be printed, the system proceeds directly to the main menu via block 108 (entry point M).

Referring to Fig. 14, a flow chart illustrates a plan management and evaluation routine 42 of a data processing system made in accordance with an embodiment of the present invention. Subroutine 42 provides for the creation, modification, and evaluation of, for example, a detailed media plan file and a general media plan file.

At block 120 (entry point B), the user enters routine 42 from main menu routine 39 and proceeds to block 300. At block 300, the user is prompted as to whether a media plan from a company seeking capital CSC is available. If a media plan is available, the system proceeds to block 302, wherein the user creates a media plan file and enters information from the CSC's media plan including, for example, the identity of the CSC, particular media desired by the CSC, and monetary amounts that are to be allocated for each particular media. The media plan file illustrated in Fig. 6 includes a detailed media plan, wherein particular media are identified. More specifically, the particular media entities Natch-1, Natcab-2, Locab-1, Locab-2, Commuter Rails, Transit Shelters, Natpubs-2, and Insite-1 are identified.

If the media plan does not identify the particular media desired by the company seeking capital CSC, then the user may alternatively enter, for example, categories of media and the monetary amounts that are to be allocated for each media category. The media plan file illustrated in Fig. 7 includes a general media plan, wherein media categories are identified. More specifically, the media categories National TV, National Cable TV, Local Cable TV, Outdoor/Out-Of-Home, National Publications, and Internet are identified.

After a particular or general media plan is entered into the media plan file, the

system proceeds to block 304 where the media plan file is stored in storage.

If, at block 300, a media plan is not available, the system proceeds to block 306, wherein a message is displayed querying the user for demographic information (e.g., age, gender, and geographic region) identified by the company seeking capital CSC. If, at  
5 block 308, it is determined that demographic information is unavailable, then the system proceeds to the block 108 (entry point M) and returns to the main menu routine 39. If, at block 308, demographic information is available, the system proceeds to block 310.

At block 310, the user enters the demographic information identified by the company seeking capital CSC. Thereafter, the system automatically develops a detailed  
10 or general media plan utilizing the market data base 34 (Fig. 5). The market data base 34 identifies and demographically categorizes media in all significant markets.

Alternatively, at block 310, the user develops a media plan based on the demographic information, inventory data stored in the inventory data base 32, and historical data stored in the historical data base 30. The historical data base 30 is a  
15 convenient tool used for generating media plans in that it includes media plans, e.g., legacy data, of companies that are similarly situated to the CSC.

After a media plan is developed by the user, it is entered into the system. The user then identifies the monetary amount that will be allocated for each particular media or category of media, as the case may be, in the media plan. Thereafter, the system  
20 proceeds to block 304 where the media plan file is stored in storage.

At block 312, the user is queried as to whether rate-card discounts are available. As described above and illustrated in Figs. 6 and 7, rate-card discounts may be applied against each media or media category allocation. If rate-card discounts are available or it is determined that they are not available and need not be applied to particular media, then  
25 the system proceeds to block 314. If rate-card discounts are not available, however, they should be applied, then the system proceeds to block 108 (entry point M) and returns to the main menu routine 39. At block 314, the user enters the rate-card discounts and, at block 316, the media plan file is stored in storage. Thereafter, the system proceeds to block 317 (entry point D).

Referring to Fig. 15, at block 317 (entry point D), the user proceeds to block 318.

At block 318, the user is queried as to whether cost basis data for each media or media category is available. If cost basis data is available, then the system proceeds to block 320. If cost basis data is not available, then the system proceeds to block 108 (entry point M) and returns to main menu routine 39.

5           At block 320, the user is queried as to whether the actual cost basis data for particular media are to be selected from the media inventory (Fig. 5) and correlated with the particular media in a detailed media plan file. If actual cost basis data are to be selected, then the system proceeds to block 322. At block 322, the user selects the actual cost basis data for the particular inventory items from the media inventory (Fig. 5), for  
10       example, by using a mouse and clicking on the desired data. After the user is done selecting the actual cost basis data, the data are saved in storage at block 324. Thereafter, the system proceeds to block 328.

          If, at block 320, the actual cost bases data for particular media are not to be selected from the media inventory (Fig. 5), but instead, the estimated cost bases data for  
15       general categories of media in a general media plan file are to be selected, then the system proceeds to block 326. At block 326, the user selects the estimated cost basis data for categories of inventory from the media inventory (Fig. 5), for example, by using a mouse and clicking on the desired data. After the user is done selecting the estimated cost basis data, the data are saved in storage in block 324. Thereafter, the system  
20       proceeds to block 328.

          At block 328, if the media plan is a detailed media plan, the actual cost basis data selected at block 322 is merged into the detailed media plan file and evaluated to determine the actual plan cost basis and actual media cost (Fig. 6) of each media. If the media plan is a general media plan, the estimated cost basis data selected at block 326 is  
25       merged into the general media plan file and evaluated to determine the estimated plan cost basis and estimated media cost (Fig. 7) of each category of media. At block 330, the media plan file is stored in storage and the system proceeds to block 332.

          At block 332, the user is queried as to whether the media plan file is to be printed. If the media plan file is to be printed, the system proceeds to block 334 and the media  
30       plan is printed for review by the user. Thereafter, the system proceeds to block 108

(entry point M) to the main menu routine 39. If, at block 332, the media plan file is not to be printed, the system proceeds directly to block 108 (entry point M) and returns to the main menu routine 39.

Referring to Fig. 16, a flow chart illustrates a cash-credit blend evaluation routine 44 in a data processing system made in accordance with an embodiment of the present invention. At block 124 (entry point C), a user enters routine 44 from main menu routine 39 and proceeds to block 400. At block 400, the user is prompted as to whether an investment decision was made based on a valuation of a company seeking capital CSC. If an investment decision was not made, the routine proceeds to block 108 (entry point M) and returns to the main menu routine 39. If an investment decision was made, the routine 44 proceeds to block 402, wherein the user retrieves a cash-credit blend evaluation template and proceeds to block 404. For example, the user retrieves a cash-credit blend evaluation template similar to the table illustrated in Fig. 9(a), or retrieves a cash-credit blend evaluation template similar to the table illustrated in Fig. 11. At block 404, the user identifies the retrieved template as the CSC's. Thereafter, the user proceeds to block 406.

At block 406, the user is queried as to whether a media plan has been evaluated, for example, as described above and illustrated in Figs. 6 and 7. If a media plan has not been evaluated, the routine proceeds to block 108 (entry point M) and returns to the main menu routine 39. If a media plan has been evaluated, then the routine 44 proceeds to block 408.

At block 408, the user enters variables into the cash-credit blend evaluation template. For example, if the cash-credit blend evaluation template is the template illustrated in Fig. 9(a), the user enters agreed-to valuation data, desired valuation data, an investment range, and an investment range increment value. Or, for example, if the cash-credit blend evaluation template is the template illustrated in Fig. 11, the user enters a range of cash-credit ratios and a range of trade-credit portions of a cash-credit blend. Thereafter, the routine 44 proceeds to block 410. At block 410 the system evaluates the entered data and, at block 412, the results of that evaluation are displayed for the user to view. After the user has viewed the results, the routine proceeds to block 414.

At block 414, the user is queried as to whether the data entered at block 408 are to be revised. If the user desires to revise the entered data, the routine 44 returns to block 408 and proceeds as described above. If the user does not desire to revise the entered data, then, at block 416, the results are stored in storage. Thereafter, the routine proceeds to block 418.

At block 418, the user is queried as to whether the results are to be printed. If the results are to be printed, the routine 44 proceeds to block 420 and the results are printed for review by the user. Thereafter, the routine 44 proceeds to the main menu (entry point M), as shown in block 108. If the results are not to be printed, the routine 44 proceeds directly to the main menu (entry point 108), as shown in block 108.

It is clear from the foregoing disclosure that the present system and method for supporting a security-trade financing service provides an alternate way for companies to obtain financing. In addition, the system and method facilitates the financing of a company holding limited assets, yet having significant growth potential. Furthermore, the system and method is easy to operate and integrate into the various technical and business methods presently available in the marketplace.

While the system and method disclosed herein have been described with respect to various specific embodiments, those skilled in the art will readily appreciate that various modifications, changes, and enhancements may be made thereto without departing from the spirit and scope of the invention as defined by the appended claims.

What is claimed is:

- 1 1. A method for supporting security-trade financing for a company seeking capital,  
2 comprising:  
3 a) maintaining an inventory data base including data identifying products;  
4 b) determining a cash/trade-credit blend for the purpose of providing financing to the  
5 company, wherein the cash/trade-credit blend includes a cash portion and a trade-credit portion;  
6 c) receiving securities from the company in exchange for the trade-credit portion of  
7 the cash/trade-credit blend; and  
8 d) receiving at least a portion of the cash/trade-credit blend from the company in  
9 exchange for a proportional quantity of the products in inventory that are desired by the  
10 company.
- 1 2. A method as recited in Claim 1, further including the steps of:  
2 a) receiving deficient assets from a deficient asset company;  
3 b) transmitting trade credits to the deficient asset company to pay, at least in part, for  
4 the deficient assets; and  
5 c) storing data identifying the deficient assets in the inventory data base.
- 1 3. A method as recited in Claim 1, wherein the products identified in the inventory data base  
2 are categorized.
- 1 4. A method as recited in Claim 1, wherein the products are selected from the group  
2 consisting of goods and services.
- 1 5. A method as recited in Claim 1, wherein the cash/trade-credit blend is represented by a  
2 cash-credit ratio, and wherein the cash-credit ratio is between 1/99 and 99/1, inclusive.



6. A method for supporting security-trade financing for a company seeking capital, comprising:

- a) storing data identifying inventory allocations and inventory components desired by the company;
- b) calculating a total plan cost basis based on the inventory allocations and cost bases of the inventory components;
- c) calculating a cash-credit ratio based on the total plan cost basis and a desired plan cost basis;
- d) calculating one or more cash/trade-credit blends based on the desired plan cost basis, the cash-credit ratio, and one or more investment values; and
- e) outputting the one or more cash/trade-credit blends.

7. A method as recited in Claim 6, wherein the desired plan cost basis is based on valuations of the company.

8. A method as recited in Claim 6, wherein the valuations include an agreed-to valuation and a desired valuation.

9. A method as recited in Claim 6, wherein the inventory components are selected from the group consisting of one or more categories of inventory products and one or more particular inventory products.

10. A method as recited in Claim 9, further comprising the step of storing data identifying the one or more categories of inventory products and data identifying the one or more particular inventory products in an inventory data base.

11. A method as recited in Claim 10, further comprising the step of storing data identifying an actual cost basis of each of the one or more particular inventory products.

12. A method as recited in Claim 10, further comprising the step of storing data identifying an estimated cost basis of each of the one or more categories of inventory products.

13. A method as recited in Claim 6, wherein the cost bases of the inventory components are selected from the group consisting of an actual cost bases and an estimated cost bases.

1 14. A method as recited in Claim 6, wherein the total plan cost basis is selected from the  
2 group consisting of a total actual plan cost basis and a total estimated plan cost basis.

1 15. A method as recited in Claim 6, wherein the cash-credit ratio is between 1/99 and 99/1,  
2 inclusive.

1 16. A method as recited in Claim 6, further including the step of storing a range of  
2 investment values and an increment value for use in calculating the one or more cash/trade-credit  
3 blends.

1 17. A method as recited in Claim 6, wherein the step of calculating a total plan cost basis  
2 based on the inventory allocations and the cost bases of the inventory components includes the  
3 step of discounting each inventory component by a rate-card discount.

1 18. A data processing system for supporting security-trade financing for a company seeking  
2 capital, comprising:

- 3 a) computer processor means for processing data;
- 4 b) storage means for storing data on a storage device;
- 5 c) first means for storing data identifying inventory allocations and inventory  
6 components desired by the company in the storage device;
- 7 d) second means for calculating a total plan cost basis based on the inventory  
8 allocations and cost bases of the inventory components;
- 9 e) third means for calculating a cash-credit ratio based on the total plan cost basis  
10 and a desired plan cost basis;
- 11 f) fourth means for calculating one or more cash/trade-credit blends based on the  
12 desired plan cost basis, the cash-credit ratio, and one or more investment values; and  
13 g) fifth means for outputting the one or more cash/trade-credit blends.

1 19. A data processing system as recited in Claim 18, wherein the desired plan cost basis is  
2 based on valuations of the company.

1 20. A data processing system as recited in Claim 19, wherein the valuations include an  
2 agreed-to valuation and a desired valuation.

21. A data processing system as recited in Claim 18, wherein the inventory components are selected from the group consisting of one or more categories of inventory products and one or more particular inventory products.

22. A data processing system as recited in Claim 21, further comprising a sixth means for storing data identifying the one or more categories of inventory products and data identifying the one or more particular inventory products in an inventory data base.

23. A data processing system as recited in Claim 22, further comprising a seventh means for storing data identifying an actual cost basis of each of the one or more particular inventory products.

24. A data processing system as recited in Claim 22, further comprising an eighth means for storing data identifying an estimated cost basis of each of the one or more categories of inventory products.

25. A data processing system as recited in Claim 18, wherein the cost bases of the inventory components are selected from the group consisting of an actual cost bases and an estimated cost bases.

26. A data processing system as recited in Claim 18, wherein the total plan cost basis is selected from the group consisting of a total actual plan cost basis and a total estimated plan cost basis.

27. A data processing system as recited in Claim 18, wherein the cash-credit ratio is between 1/99 and 99/1, inclusive.

28. A data processing system as recited in Claim 18, further including a ninth means for storing a range of investment values and an increment value for use in calculating the one or more cash/trade-credit blends.

29. A data processing system as recited in Claim 18, wherein the second means for calculating a total plan cost basis based on the inventory allocations and the cost bases of the inventory components includes a tenth means for discounting each inventory component by a rate-card discount

30. A data processing system for supporting security-trade financing for a company seeking capital, comprising:  
a storage device for storing data identifying inventory components and corresponding cost bases;  
a processor in communication with the storage device, wherein the processor is operative to

- a) store data in the storage device identifying inventory allocations and certain inventory components desired by the company, a desired plan cost basis, and one or more investment values;
- b) calculate a total plan cost basis based on the inventory allocations and the cost bases of the certain inventory components;
- c) calculate a cash-credit ratio based on the total plan cost basis and the desired plan cost basis;
- d) calculate one or more cash/trade-credit blends based on the desired plan cost basis, the cash-credit ratio, and the one or more investment values; and
- e) output the one or more cash/trade-credit blends.

31. A data processing system as recited in Claim 30, wherein the desired plan cost basis is based on valuations of the company.

32. A data processing system as recited in Claim 31, wherein the valuations of the company include an agreed-to valuation and a desired valuation.

33. A data processing system as recited in Claim 30, wherein the inventory components are selected from the group consisting of one or more categories of inventory products and one or more particular inventory products.

34. A data processing system as recited in Claim 33, wherein the processor is further operative to store data identifying the one or more categories of inventory products and data identifying the one or more particular inventory products in an inventory data base.

35. A data processing system as recited in Claim 34, wherein the processor is further operative to store data identifying an actual cost basis of each of the one or more particular inventory products.

36. A data processing system as recited in Claim 34, wherein the processor is further operative to store data identifying an estimated cost basis of each of the one or more categories of inventory products.

37. A data processing system as recited in Claim 30, wherein the cost bases of the inventory components are selected from the group consisting of an actual cost bases and an estimated cost bases.

38. A data processing system as recited in Claim 30, wherein the total plan cost basis is selected from the group consisting of a total actual plan cost basis and a total estimated plan cost basis.

39. A data processing system as recited in Claim 30, wherein the cash-credit ratio is between 1/99 and 99/1, inclusive.

40. A data processing system as recited in Claim 30, wherein the processor is further operative to store a range of investment values and an increment value for use in calculating the one or more cash/trade-credit blends.

# ABSTRACT OF THE DISCLOSURE

A system and method for supporting a security-trade financing service is disclosed. According to an embodiment of the method, the method includes the steps of maintaining an inventory data base which includes data identifying products; determining a cash/trade-credit blend for the purpose of providing financing to a company, wherein the cash/trade-credit blend includes a cash portion and a trade-credit portion; receiving securities from the company in exchange for the trade-credit portion of the cash/trade-credit blend; and receiving at least a portion of the cash/trade-credit blend from the company in exchange for a proportional quantity of the products in inventory that are desired by the company. According to an embodiment of the system, the system includes a storage device for storing data identifying inventory components and corresponding cost bases; a processor in communication with the storage device, wherein the processor is operative to store data in the storage device identifying inventory allocations and certain inventory components desired by the company, a desired plan cost basis, and one or more investment values. The processor is further operative to calculate a total plan cost basis based on the inventory allocations and the cost bases of the certain inventory components; calculate a cash-credit ratio based on the total plan cost basis and the desired plan cost basis; calculate one or more cash/trade-credit blends based on the desired plan cost basis, the cash-credit ratio, and the one or more investment values; and output the one or more cash/trade-credit blends.

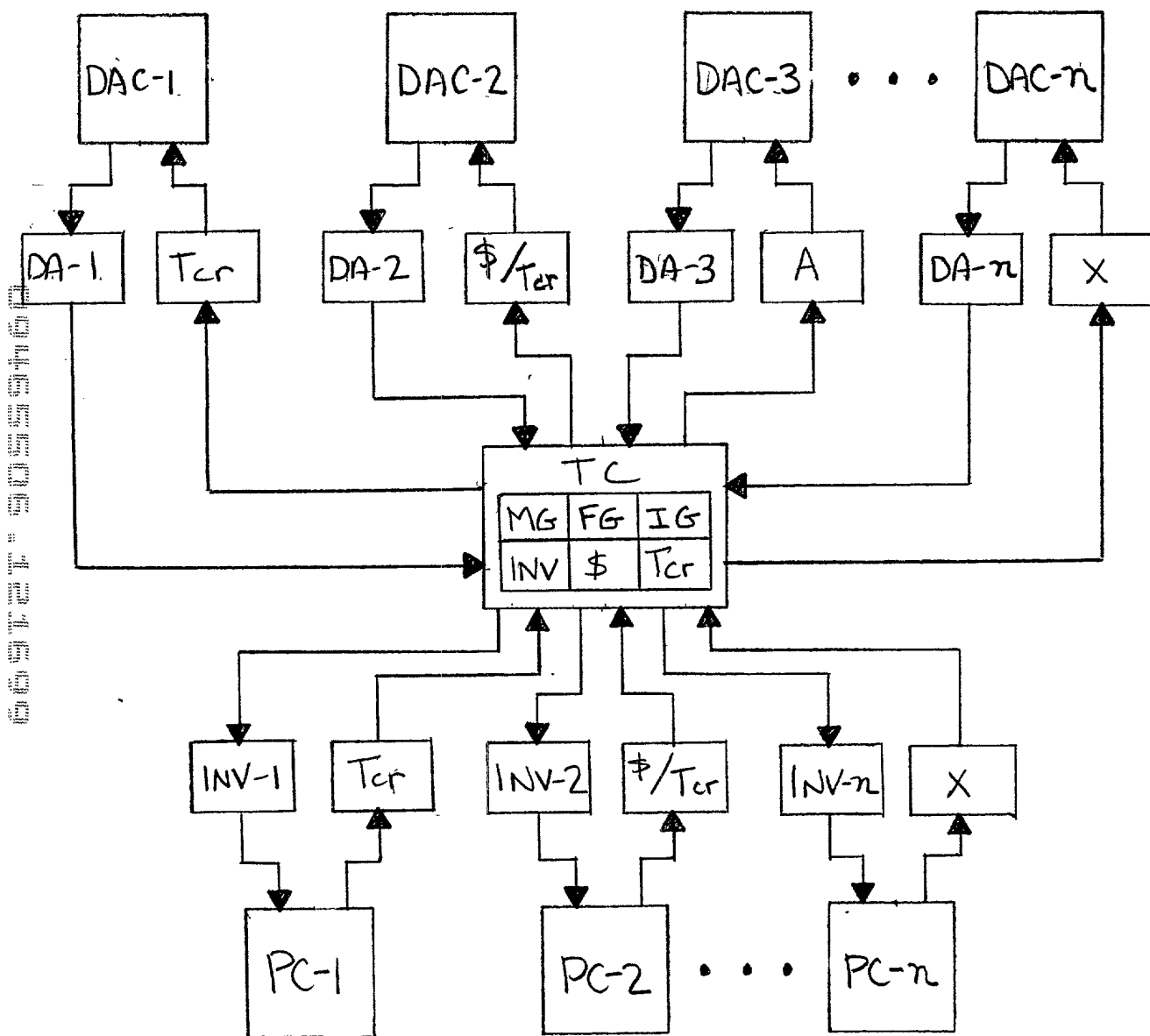


FIG. 1  
(PRIOR ART)

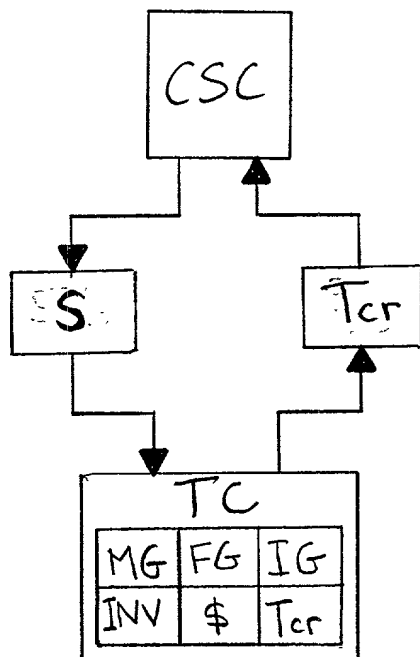


FIG. 2(a)





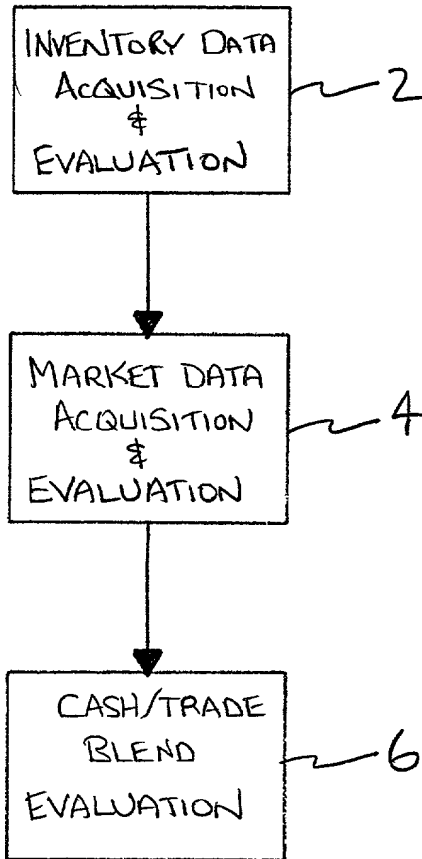


FIG. 3

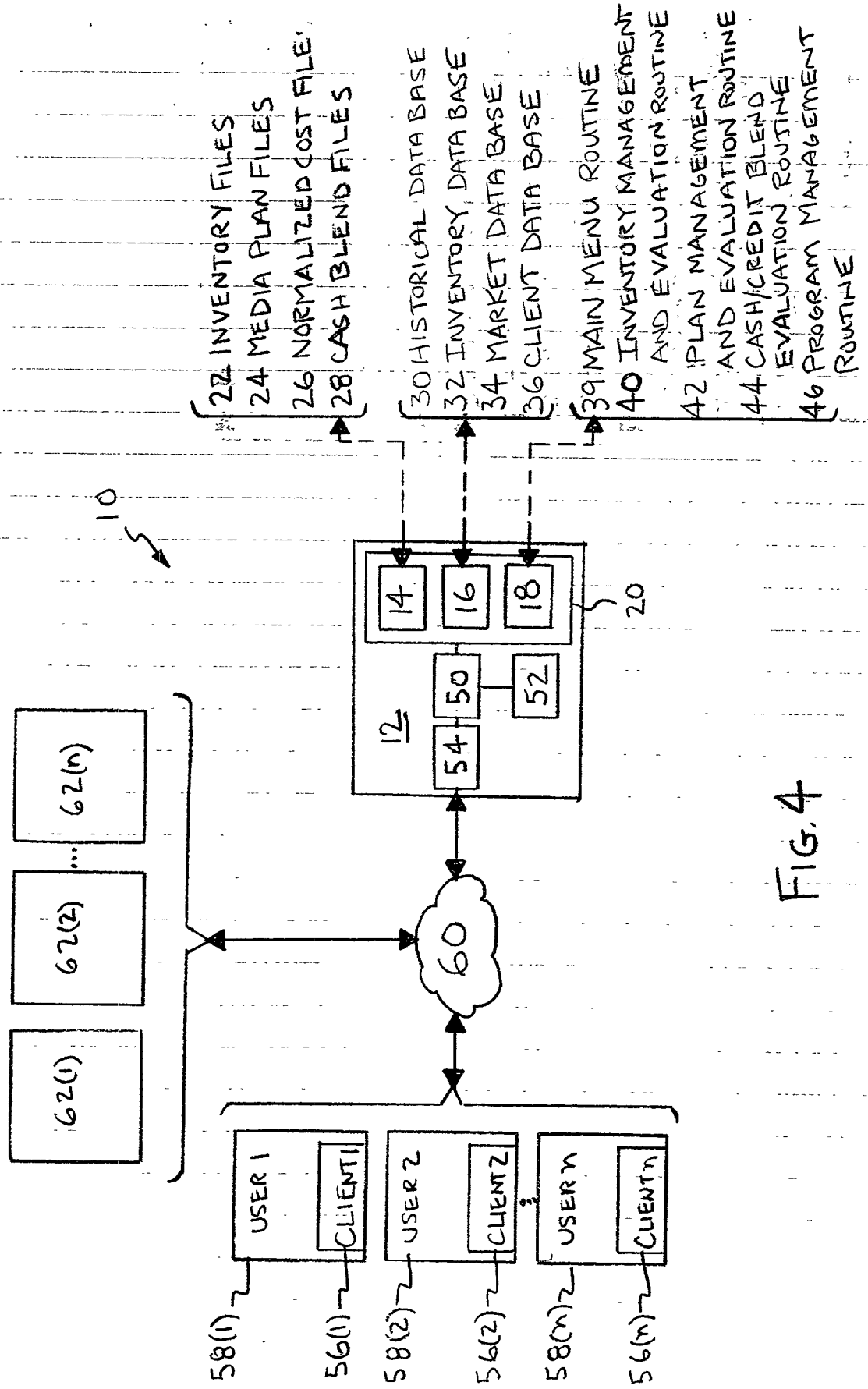


FIG. 4

<b><u>Media Inventory</u></b>				
<u>Media Category</u>	Rate-Card Cost (\$)	Media Cost (\$)	Actual	Est.
Media	(x 10 <sup>3</sup> )	(x 10 <sup>3</sup> )	Cost Basis (%)	Cost Basis (%)
<u>National TV</u>				
Natch-1	\$10,000	\$ 7,760	77.6%	
Natch-2	<u>12,000</u>	<u>9,840</u>	82.0	
	22,000	17,600		80.0%
<u>Local TV</u>				
Loch-1	5,000	3,310	66.2	
Loch-2	<u>3,000</u>	<u>1,890</u>	63.0	
	8,000	5,200		65.0
<u>National Cable TV</u>				
Natcab-1	8,000	6,150	76.9	
Natcab-2	<u>6,000</u>	<u>4,350</u>	72.5	
	14,000	10,500		75.0
<u>Local Cable TV</u>				
Locab-1	3,000	1,790	59.7	
Locab-2	<u>1,000</u>	<u>550</u>	55.0	
	4,000	2,340		58.5
<u>Network Radio</u>				
Netrad-1	15,000	9,555	63.7	
Netrad-2	<u>13,000</u>	<u>8,645</u>	66.5	
	28,000	18,200		65.0
<u>Local Radio</u>				
Lorad-1	10,000	4,840	48.4	
Lorad-2	<u>8,000</u>	<u>4,160</u>	52.0	
	18,000	9,000		50.0
<u>Outdoor/Out-of-Home</u>				
Trucksides	5,000	2,690	53.8	
Commuter Rails	6,000	3,240	54.0	
Bus Tails	3,000	1,680	56.0	
Transit Shelters	<u>6,000</u>	<u>3,390</u>	56.5	
	20,000	11,000		55.0
<u>National Publications</u>				
Natpubs-1	11000	7,990	72.6	
Natpubs-2	<u>13,000</u>	<u>10,010</u>	77.0	
	24,000	18,000		75.0
<u>Internet</u>				
Insite-1	13,000	6,760	52.0	
Insite-2	<u>17,000</u>	<u>8,240</u>	48.5	
	30,000	15,000		50.0

**FIG. 5**

**Evaluation of a Detailed Media Plan**

<u>Media Category</u> Media	Allocation (\$) (x 10 <sup>3</sup> )	Rate-Card Discount (%)	Actual Plan Cost Basis (%)	Actual Media Cost (\$) (x 10 <sup>3</sup> )
<u>National TV</u>				
Natch-1	\$1,500	5%	81.7%	\$1,225
<u>National Cable TV</u>				
Natcab-2	1,000	10	80.6	806
<u>Local Cable TV</u>				
Locab-1	800	10	66.3	531
Locab-2	800	10	61.1	489
<u>Outdoor/Out-of-Home</u>				
Commuter Rails	300	15	63.5	191
Transit Shelters	300	15	66.5	199
<u>National Publications</u>				
Natpubs-2	250	5	81.1	202
<u>Internet</u>				
Insite-1	50	15	61.2	31
Total	\$5,000		73.5%	\$3,674

**FIG. 6**

**Evaluation of a General Media Plan**

Media Category	Allocation (\$ (x 10 <sup>3</sup> )	Rate-Card Discount (%)	Est. Plan Cost Basis (%)	Est. Media Cost (\$ (x 10 <sup>3</sup> )
National TV	\$1,500	5%	84.2%	\$1,263
National Cable TV	1,000	10	83.3	833
Local Cable TV	1,600	10	65.0	1,040
Outdoor/Out-of-Home	600	15	64.7	388
National Publications	250	5	78.9	197
Internet	50	15	58.8	29
Total	\$5,000		75.0%	\$3,750

**FIG. 7**

Cash-Credit Ratio (\$/Tcr)	Normalized Cash-Credit Ratio (\$/Tcr)	Normalized Total Cost (\$)	Actual Cost per Trade Credit (\$) @ a Total Plan Cost Basis of:			
			... 74.9 %	75.0 %	75.1 %	...
1/99	.01/1	1.01	.746	.748	.749	
10/90	.11/1	1.11	.721	.723	.724	
20/80	.25/1	1.25	.686	.688	.689	
40/60	.67/1	1.67	.581	.583	.584	
50/50	1/1	2.00	.498	.500	.502	
60/40	1.50/1	2.50	.373	.375	.378	
66/33	2/1	3.00	.247	.250	.253	

**Fig. 8**

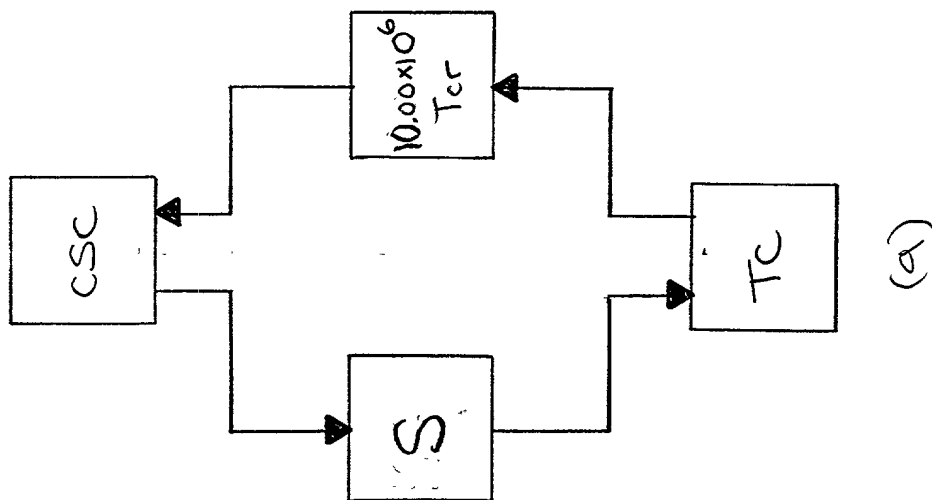
Agreed-To Valuation \$(x10 <sup>6</sup> )	Desired Valuation \$(x10 <sup>6</sup> )	Total Plan Cost Basis (%)	Desired Plan Cost Basis (%)	Cash-Credit Ratio (\$/Tcr)	Investment Value Range Low — High \$(x10 <sup>6</sup> )	Increment Value \$(x10 <sup>6</sup> )
\$100	\$37.5	75%	37.5%	60/40	\$2.00 - \$4.00	\$25

**FIG. 9(a)**

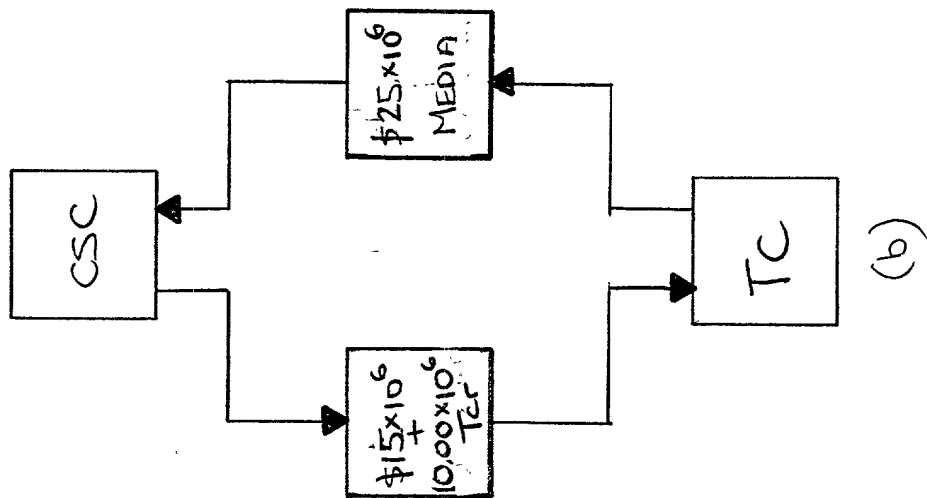
Investment Value (\$) (x10 <sup>6</sup> )	Cash Value (\$) (x10 <sup>6</sup> )	Trade-Credit Value (Tcr) (x10 <sup>6</sup> )	Total Media Cost (\$) (x10 <sup>6</sup> )
\$4.00	\$16	10.67 Tcr	\$26.67
3.75	15	10.00	25.00
3.50	14	9.33	23.33
3.25	13	8.67	21.67
3.00	12	8.00	20.00
2.75	11	7.33	18.33
2.50	10	6.67	16.67
2.25	9	6.00	15.00
2.00	8	5.33	13.33

**FIG. 9(b)**





(a)



(b)

FIG. 10

		Trade-Credit Values (Tcr)									
		9.0 x10 <sup>6</sup> Tcr			10.0 x10 <sup>6</sup> Tcr			11.0 x10 <sup>6</sup> Tcr			
Cash-credit Ratio (\$/Tcr)	Actual Cost per Tcr @ 75.0% Total Plan Cost Basis (\$)	Actual Total Cost @ 75.0% Total Plan Cost Basis (\$) (x10 <sup>6</sup> )			Actual Total Cost @ 75.0% Total Plan Cost Basis (\$) (x10 <sup>6</sup> )			Actual Total Cost @ 75.0% Total Plan Cost Basis (\$) (x10 <sup>6</sup> )			
		Cash (\$) (x10 <sup>6</sup> )	Total Media Cost (\$) (x10 <sup>6</sup> )		Cash (\$) (x10 <sup>6</sup> )	Total Media Cost (\$) (x10 <sup>6</sup> )		Cash (\$) (x10 <sup>6</sup> )	Total Media Cost (\$) (x10 <sup>6</sup> )		
40/60	.583	\$6.0	\$15.0	\$5.250	\$6.7	\$16.7	\$5.825	\$7.37	\$18.37	\$6.408	
50/50	.500	9.0	18.0	4.500	10.0	20.0	5.000	11.00	22.00	5.500	
60/40	.375	13.5	22.5	3.375	15.0	25.0	3.750	16.50	27.50	4.125	
66/33	.250	18.0	27.0	2.250	20.0	30.0	2.500	22.00	33.00	2.750	

Fig. 11

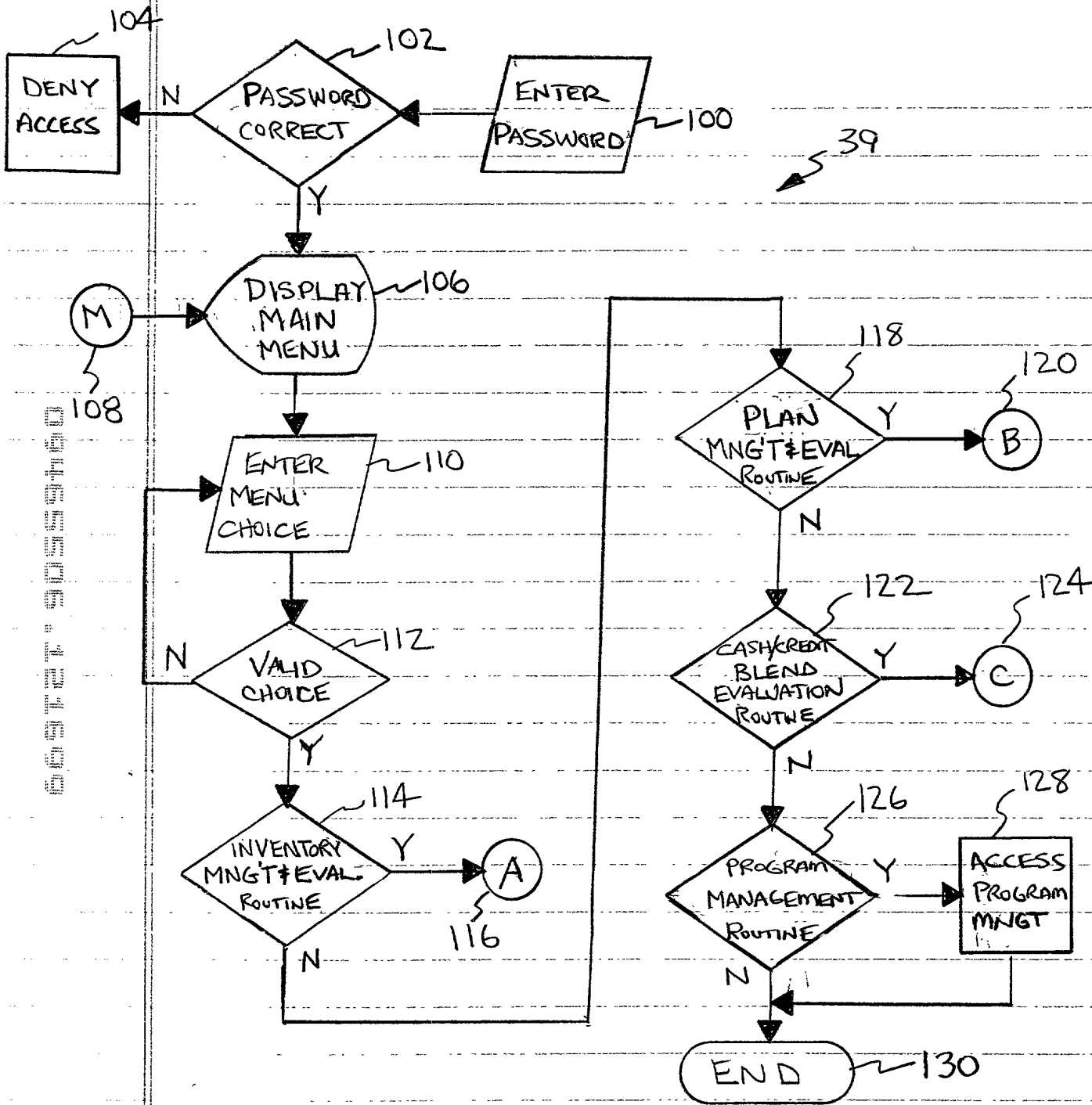


Fig 12

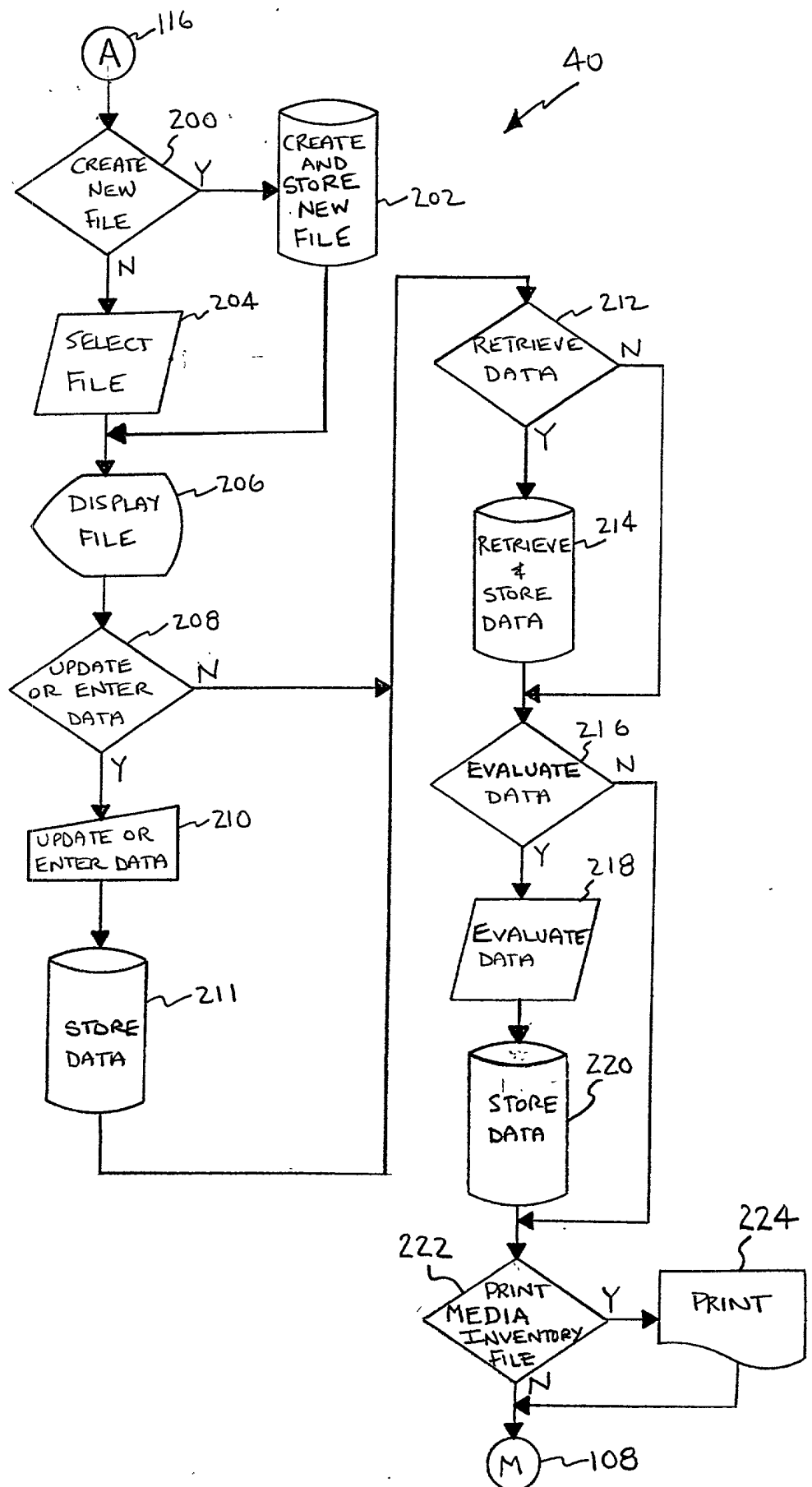


Fig 13

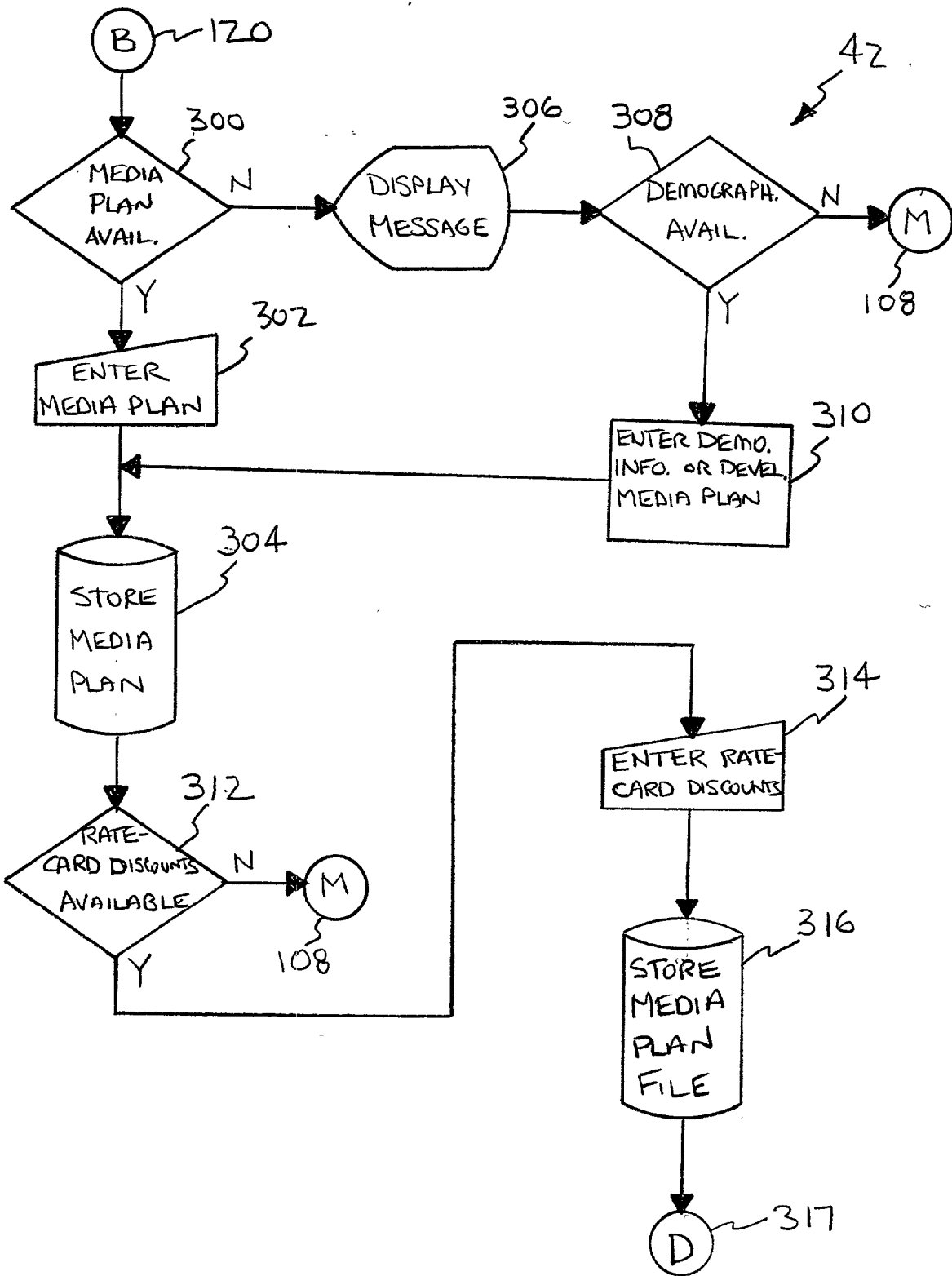


FIG 14

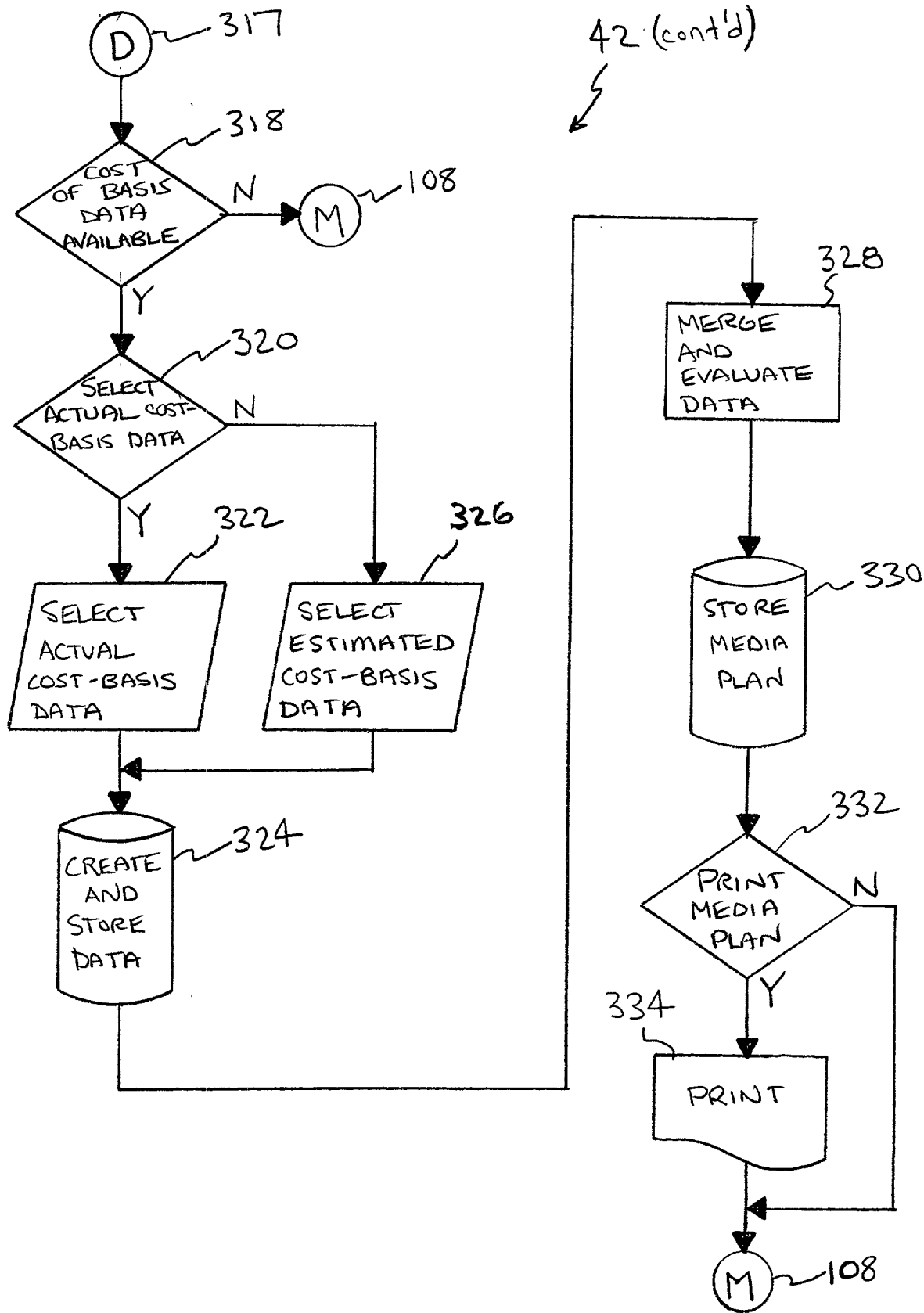


FIG. 15

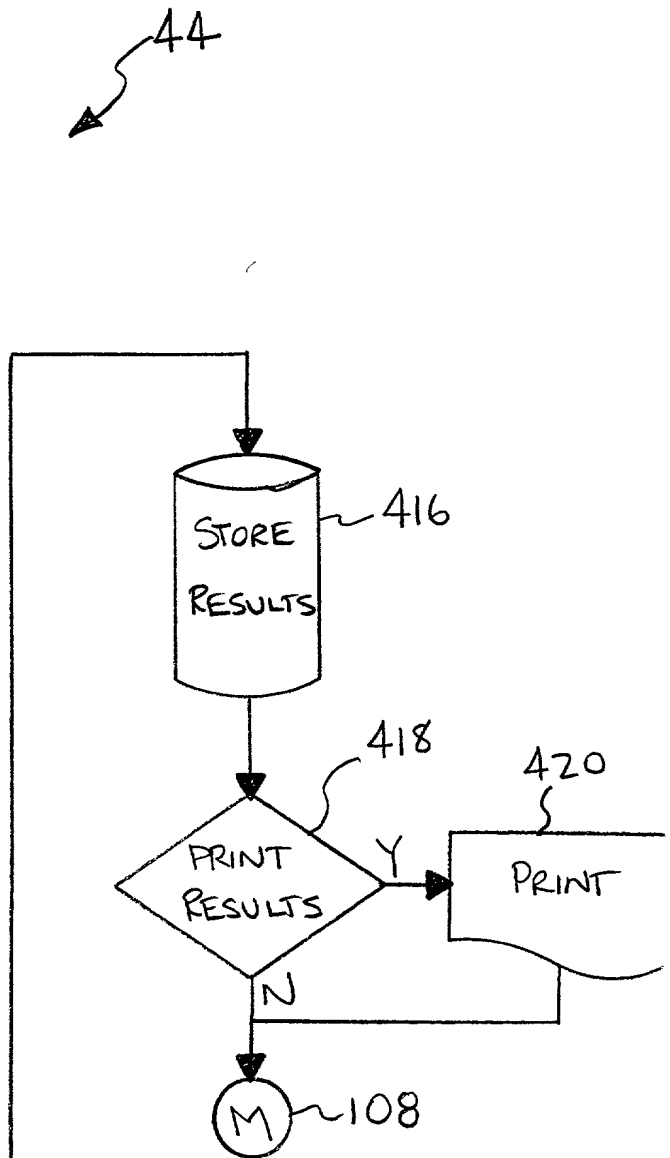
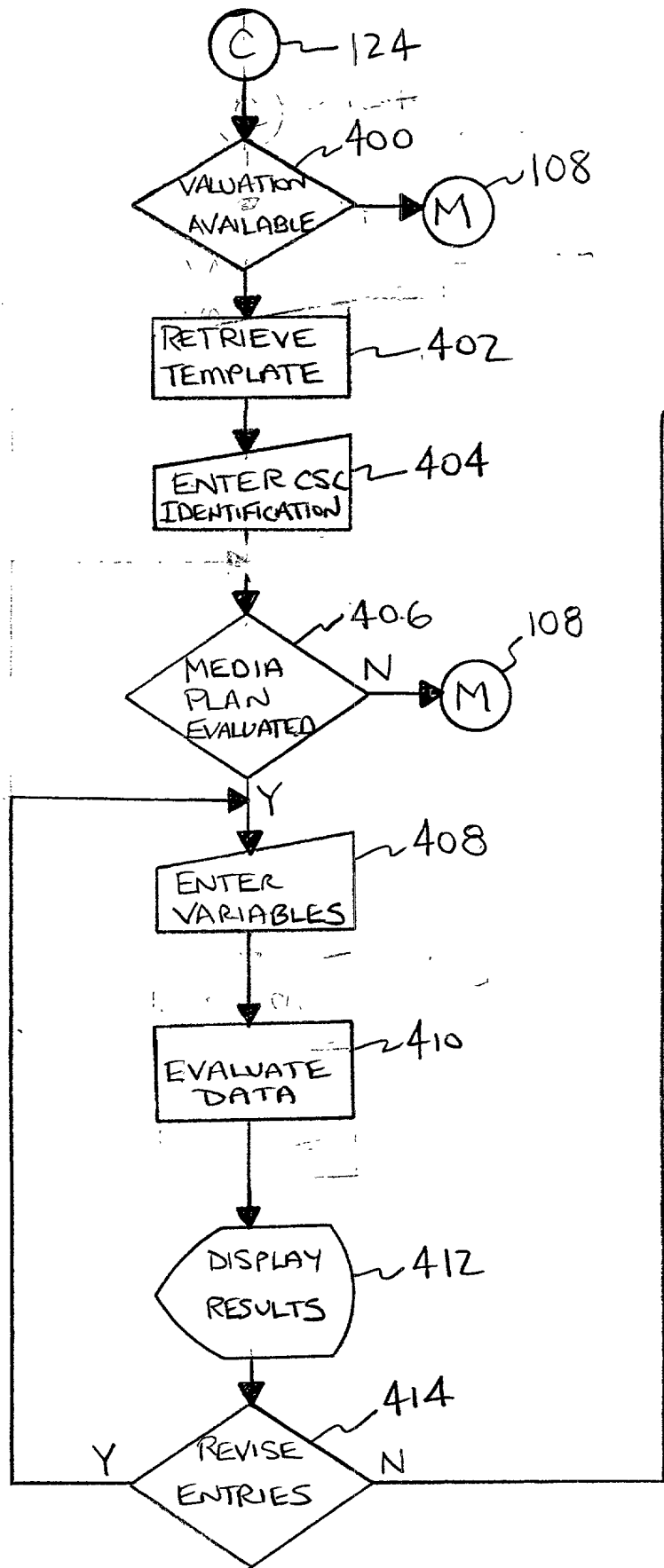


FIG. 16

**Declaration, Power of Attorney, and Petition**

As a below named inventor, I/we hereby declare that:

My/Our residence, post office address and citizenship is/are as stated below next to my/our name(s),

I believe I am the original, first and sole inventor (if only one name is listed below) or an original, first and joint inventor (if plural names are listed below) of the subject matter which is claimed and for which a patent is sought on the invention entitled: SYSTEM AND METHOD FOR SUPPORTING A SECURITY-TRADE FINANCING SERVICE, the specification of which (*check one*)

☒ is attached hereto; or

☐ was filed on \_\_\_\_\_ as Application Serial No. \_\_\_\_\_ and was amended on \_\_\_\_\_ (if applicable); or

**PCT FILED APPLICATION ENTERING NATIONAL STAGE**

☐ was described and claimed in International Application No. \_\_\_\_\_ filed on \_\_\_\_\_ and as amended on \_\_\_\_\_ (if applicable).

I/We hereby state that I/we have reviewed and understand the contents of the above identified specification, including the claims, as amended by any amendment referred to above, and that it contains a full, clear, concise and exact description of the subject matter for which a patent is sought.

I/we acknowledge the duty to disclose information which is material to the examination of this application in accordance with Title 37, Code of Federal Regulations, § 1.56(a).

**Prior Application(s)**

☐ (Check if applicable) I/We hereby claim foreign priority benefits under Title 35, United States Code § 119, by checking the box(es) below, any foreign application(s) for patent or inventor's certificate, or PCT International application having a filing date before that of the application on which priority is claimed:

**Prior Foreign Application(s)**

Claimed:

Priority

(Number)	(Country)	Day/month/year filed	<input type="checkbox"/>	<input type="checkbox"/>
			Yes	No
(Number)	(Country)	Day/month/year filed	<input type="checkbox"/>	<input type="checkbox"/>
			Yes	No

☐ (Check if applicable) I/We hereby claim the benefit under Title 35, United States Code, § 119(e) of any United States provisional application(s) listed below:



Prior Provisional Application(s)

(Application Number)

(Filing Date)

(Application Number)

(Filing Date)

(Note: When the nonprovisional application is entitled to an earlier U.S. effective filing date of one or more provisional applications under Title 35, United States Code § 119(e), a statement such as "This application claims the benefit of U.S. Provisional Application No. \_\_\_\_\_, filed \_\_\_\_\_, and U.S. Provisional Application No. \_\_\_\_\_, filed \_\_\_\_\_" should appear as the first sentence of the description. In view of this requirement, the right to rely on a prior application may be waived or refused by an applicant by refraining from inserting a reference to the prior application in the specification of the later one.)

☐ (Check if applicable) I/We hereby claim the benefit under Title 35, United States Code, § 120 of any United States application(s) listed below and, insofar as the subject matter of each of the claims of this application is not disclosed in the prior United States application in the manner provided by the first paragraph of Title 35, United States Code, § 112, I/we acknowledge the duty to disclose material information as defined in Title 37, Code of Federal Regulations, § 1.56(a) which occurred between the filing date of the prior application and the national or PCT international filing date of this application:

Prior U.S. Application(s)

(Application Serial No.)

(Filing Date)

Status (Patented, pending, abandoned)

(Application Serial No.)

(Filing Date)

Status (Patented, pending, abandoned)

☐ (Check if applicable) I/We hereby authorize the U.S. attorneys or agents named herein to accept and follow instructions from \_\_\_\_\_ as to any action to be taken in the Patent and Trademark Office regarding this application without direct communication between the U.S. attorneys or agents named herein and myself/ourselves. In the event of a change, I/we will notify in writing the U.S. attorney or agent named herein.

☐ (Check if applicable) In this continuation-in-part application, insofar as the subject matter of any of the claims of this application is not disclosed in the prior United States application in the manner provided by the first paragraph of Title 35, United States Code, Section 112, I acknowledge the duty to disclose material information as defined in Title 37, Code of Federal Regulations, Section 1.56(a) which occurred between the filing date of the prior application and the national or PCT international filing date of this application.

I/We hereby declare that all statements made herein of my/our own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

I/we hereby appoint the attorneys whose names are associated with United States Patent and Trademark Office Customer Number 21832:



**21832**

PATENT AND TRADEMARK OFFICE

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of the firm of CUMMINGS & LOCKWOOD, whose address is Four Stamford Plaza, P.O. Box 120, Stamford, Connecticut 06904-0120, as my/our attorneys with full power of substitution and revocation, to prosecute this application and to transact all business in the Patent and Trademark Office connected therewith.

Please address all written correspondence to the address associated with United States Patent and Trademark Customer Number 21832:

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700 State Street  
P.O. Box 196020  
New Haven, CT 06509-1960  
Fax (203) 351-4535

Telephone Calls should be directed to James W. Jakobsen, by dialing (203)327-2650.

Wherefore I/we pray that Letters Patent be granted to me/us for the invention or discovery described and claimed in the foregoing specification and claims, and I/we hereby subscribe my name to the foregoing specification and claims, declaration, power of attorney, and this petition.

**Full name of first inventor:**

Lance LUNDBERG

Residence:

Westport, Connecticut

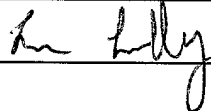
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United States of America

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6 Fraser Road, Westport, CT 06880

Inventor's signature



Date: 12/15/99

**Full name of second inventor:**

Gijs F. J. VAN THIEL

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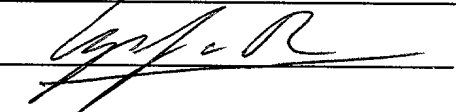
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Inventor's signature



Date: 12/15/99

**Full name of third inventor:**

Residence:

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Post Office Address:

Inventor's signature

Date: \_\_\_\_\_